Middle States Commission on Higher Education
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Certification Statement:
Compliance with MSCHE Requirements of Affiliation
[For use by institutions addressing the Accreditation Standards in *Characteristics of Excellence: Requirements of Affiliation and Standards for Accreditation (12th ed., 2006)*]
Effective August 1, 2015

Slippery Rock University

is seeking *(Check one)*:

___ Initial Accreditation
___ Reaffirmation of Accreditation through Self Study
_X_ Reaffirmation of Accreditation through Periodic Review

An institution seeking **initial accreditation** or **reaffirmation of accreditation** must affirm that it meets or continues to meet established MSCHE Requirements of Affiliation.

This signed certification statement must be attached to the executive summary of the institution's self-study or periodic review report.

The undersigned hereby certify that the institution meets Requirements of Affiliation of the Middle States Commission on Higher Education as published in *Characteristics of Excellence: Requirements of Affiliation and Standards for Accreditation (12th ed., 2006).*

If it is not possible to certify compliance with all requirements specified herein, the institution must attach specific details in a separate memorandum.

___ Exceptions are noted in the attached memorandum *(Check if applicable)*

Cheryl J. Norton — 5/18/16

Dr. Cheryl J. Norton, President — (Date)

Mary Jo White — 5/21/16

Sen. Mary Jo White, Chair, Council of Trustees — (Date)

Chapter 1: Executive Summary

Introduction

In its 127-year history Slippery Rock University has transitioned from a normal school with the primary purpose of training teachers, to a master's-level public university offering a broad array of undergraduate and graduate programs to more than 8,000 students. Since 2011, when the Middle States visiting team affirmed the University's accreditation and awarded 16 commendations, Slippery Rock University has transitioned again. A new president and provost have guided the University through a renewal of vision, and a revision of mission and strategic goals to serve its students and communities better.

About the University

Slippery Rock University was founded in 1889 as Slippery Rock State Normal School. In 1926, the institution was purchased by the Commonwealth of Pennsylvania, renamed Slippery Rock State Teachers College, and became a four-year teachers' college. Slippery Rock State College was established in 1960 and began awarding its first undergraduate and graduate degrees in the liberal arts and in the professions. It was granted university status in 1983.

Slippery Rock University is one of 14 universities within Pennsylvania's State System of Higher Education (PASSHE) that also includes Bloomsburg University, California University, Cheyney University, Clarion University, East Stroudsburg University, Edinboro University, Indiana University, Kutztown University, Lock Haven University, Mansfield University, Millersville University, Shippensburg University, and West Chester University. A map of the State System and locations of the fourteen universities can be found in Figure 1.1.

Figure 1.1 Pennsylvania Map of System Universities

Our Vision

Slippery Rock University will excel as a caring community of lifelong learners connecting with the world.

Our Mission

The fundamental educational mission of Slippery Rock University (SRU) is to transform the intellectual, social, physical, and leadership capacities of students in order to prepare them for life and career success. Complementary missions are to engage in scholarly activity and professional service.

SRU is committed to serving a diverse student body and empowering anyone regionally, nationally, and internationally who can benefit from its programs and lifelong learning opportunities. Thereby SRU addresses the educationally-related economic, health, environmental, social, cultural, and recreational needs of the communities served by the university.

In pursuit of SRU's educational purpose, talented faculty and staff provide creative integrated curricula and experiences that are connected to the world in which graduates will work and live. Students are taught using powerful and engaging pedagogies in appropriate learning spaces employing state-of-the-art technology. They study in an open, caring, nurturing, and friendly environment, and live in a safe community with access to high-quality student services. SRU strives to be a best-value institution with an affordable cost and substantial student financial support.

A 20-member Board of Governors establishes broad educational, fiscal and personnel policies, and oversees the efficient management of the state system. A 12-member Council of Trustees governs Slippery Rock University. Its members are nominated and appointed by the Governor with the advice and consent of the Senate, and serve a term of six years. The University is accredited by the Middle States Commission on Higher Education (MSCHE) and 19 discipline-specific accreditation bodies.

SRU is located in the rolling hills of western Pennsylvania, less than an hour north of Pittsburgh, ninety minutes south of Erie, and 45 minutes east of Youngstown, Ohio, in the borough of Slippery Rock in Butler County, Pennsylvania, a safe and friendly community of approximately 3,000 people. It has two additional locations, one at the Regional Learning Alliance, an educational center near Pittsburgh, and the second at the Harrisville Building, a health education facility in nearby Harrisville, Pennsylvania. Two major highways, I-79 and I-80, intersect seven miles from the University, conveniently linking it to the entire Commonwealth and its contiguous regions.

The FY2015/16 E&G revenue budget is $125,879,486, with tuition and fees totaling $87,230,415 or 69.3 percent of the total budget, while state appropriations total 27.4 percent of the budget. Although there has been a slight recovery in state appropriations, the trend in state support has been downward, from about 50 percent in the late 1990's. The FY2015/16 Auxiliary budget, which covers Food Services, Housing, the Student Center, and Campus Recreation, is $24,164,274.

Slippery Rock offers 90 programs leading to bachelor's (65 degrees), master's (23 degrees), and doctoral degrees (2 degrees). In addition, students can take a variety of minors, concentrations, and certificates that allow them to tailor their academic experience to meet their career goals. Certificates are also available to non-degree students seeking additional career preparation. The primary growth in programs has been in graduate education.

As of Fall 2015, enrollment stood at 8,628 students, with 7,583 undergraduate and 1,045 graduate students, dispersed over four colleges: the College of Business, the College of Education, the College of Health, Environment, and Science, and the College of Liberal Arts. The majority of undergraduate students are in-state, full-time, female, and under the age of 25. The majority of graduate students are part-time rather than full-time. Underrepresented minority students who chose to indicate their ethnicity are 11.1 percent of the student population, which is 0.6 percent higher than in 2014. International students are 1.2 percent of the student population, but increased 17.2 percent between 2014 and 2015.

Periodic Review Report process

Preliminary preparation for the Periodic Review Report (PRR) began immediately after the completion of the 2011 self-study. The self-study steering committee members first met in October 2012 to plan how the PRR review process would be integrated into the University's ongoing assessment of its mission, goals and objectives. As such, the core committee members responsible for the PRR review are also involved in the University's strategic planning process, student and institutional assessment, finance and enrollment, and other efforts to ensure a high quality academic experience for students. Mary Hennessey, Assistant to the Provost, and Dr. Langdon Smith, professor in the Department of Geography, Geology and the Environment, were appointed co-chairs of the PRR review committee in 2012. Committee members have updated the campus community about the Middle States review process on numerous occasions since 2012, at department chair meetings, at the Academic and Student Affairs Executive Council, and at other university stakeholder meetings.

The review process offered a diverse set of campus stakeholders an opportunity to provide their perspectives. There was an open invitation for comment about challenges and opportunities. In addition, targeted groups of leaders, including the President's cabinet, the Provost's advisory council, the academic department chairs, student government leadership, managers, and University collective bargaining groups were involved in discussions and were able to provide input. While institution-wide comment has been solicited, the smaller core PRR committee authored the report.

Major Institutional changes

The five years since the last Middle States self-study have been an exciting time of transitions. The following summarize Slippery Rock University's major institutional changes:

Leadership: The University had a major turnover in administration beginning in 2012-2013 with the retirements of then President Robert Smith and Provost William Williams, and followed within two years by the Vice President for Finance and Administration and the Vice President for Student Affairs.

- In 2012 Dr. Cheryl J. Norton was selected as the 16th president of Slippery Rock University. Dr. Norton joined the University after serving for six years as president of Southern Connecticut State University. Notably, she is the first woman president at Slippery Rock University.

- Dr. Philip K. Way joined Slippery Rock University in 2013 as the Provost and Vice President for Academic Affairs. When his portfolio grew, he became Provost and Vice President for Academic and Student Affairs. He was formerly the Associate Provost for Undergraduate Programs at University of Alabama at Birmingham.

- Dr. Amir Mohammadi joined Slippery Rock in 2014 as Vice President for Administration and Finance. As a result of organizational change, he became Vice President for Administration, Finance, and Advancement. He was formerly Executive Vice President and University Treasurer at Delaware State University.

Structure: This change in leadership provided a unique opportunity to rethink the structure of the University and promote an institutional focus on student success for all divisions. To support this focus, the President integrated Academic Affairs and Student Affairs into one new division, the Division of Academic and Student Affairs (See organizational chart in Appendix 1.1).

Two new leadership positions were established at the associate provost level. The Associate Provost for Student Success was created to integrate academic and non-academic support services to ensure student retention and graduation. The Associate Provost for Transformational Experiences position was charged with increasing the University's commitment to student leadership development, involvement, service learning, global engagement, undergraduate research and other programs that add significant value to students' traditional experiences.

Strategic Plan: Following an assessment of the existing University strategic plan, President Norton authorized its revision. Campus committees were formed to consider possible goals rooted in the lived experience of university stakeholders. A website was created to solicit broad-based feedback. After eighteen months of work, nine key goals were identified that emphasized student enrollment and success, faculty and student quality and diversity, agile and quality programs and pedagogies, symbiotic relations with external constituencies, and a solid financial footing. Alignment with each of the major units of the University, including academic and student affairs, finance, advancement, and alumni relations was assured (Appendix 1.2). Unlike the previous strategic plan, which provided a 15-year outlook, the 2016 version features a pared down, three to five-year forecast, providing for a more realistic approach given the fast pace of change occurring in higher education (See Chapter 6 for more information about the strategic planning process).

Programs: The University has implemented new programs and opportunities as a way to serve the needs of its changing student population and regional employers. The programs approved in the past three years focus on health-related degrees, security and information intelligence, engineering, and specialty degrees such as the BFA in Dance and the Ed.D. in Special Education. The University opened two additional locations in Western Pennsylvania as cited earlier in this chapter. More programs were offered through online and blended learning.

Finances: The University weathered a challenging financial climate that reflected regional demographics, state politics, and rising costs. It adopted a dual strategy of making economies and investing in projects that would enhance net revenues, such as new programs, renovated learning spaces, renovated library resources, student success initiatives, and high impact pedagogies. The University has been assessed as having low financial risk by the State System.

Student success: With the changing institutional structure and strategic emphasis on student success, the University is analyzing sub-categories in persistence and retention to ensure that all students are successful. As such, there are increased initiatives to increase access and engagement of all students, with emphasis on Pell-eligible and at-risk under-represented students.

These institutional changes and developments have combined to produce accolades including a rising rank in US News & World Report, and listing in the 2016 Princeton Review Best in the Northeast, 2014-15 Colleges of Distinction and the Top 50 of America's Best Small Town Colleges. Outside of academics, SRU has earned other accolades demonstrating the quality of many of its units: The Chronicle's Best Colleges to Work For in 2014 and 2015, a Green Star Honor Award for Campus Appearance, a 2015 APPA Sustainability Award in Facilities Management, and a Silver Rating from the Association for the

Advancement of Sustainability in Higher Education (AASHE).

Highlights of the Periodic Review Report

Chapter 2: Response to recommendations from the previous evaluation

In 2011, the Middle States visiting team affirmed Slippery Rock University's accreditation and awarded 16 commendations for the Institution's effective leadership. The visiting team had no recommendations for the University; however, the SRU community took full advantage of the self-study process to make its own recommendations. The administration and faculty have used these observations to frame subsequent planning and activities. All campus recommendations and observations have been addressed in this report.

Chapter 3: Major challenges and/or opportunities

The opportunities at Slippery Rock University should far outweigh the challenges during the next five years. Foremost among those opportunities are the revised mission and strategic plan, the new organizational structure, a healthy financial situation, and a willingness and ability to alter educational offerings, locations and modalities to match the needs of stakeholders. The challenges for the University, which are common to many institutions, include uncertainties about state financial support, aging campus facilities, struggles to keep up with changing technologies, and the inherent difficulties of faculty and staff adjusting to shifting institutional goals.

Chapter 4: Enrollment and finance trends and projections

Slippery Rock University, like many public universities in the northeastern United States, has been faced with enrollment and fiscal challenges over the past five years because of diminishing state revenue and declining high school graduates. To meet this challenge, the University developed new academic programs, enhanced marketing and recruitment enrollment growth strategies, and minimized the effect of increasing personnel costs. These actions have created buoyant enrollments and an enviable financial position for the University.

Chapter 5: Organized and sustained processes to assess institutional effectiveness and student learning

Slippery Rock University faculty and staff engage in assessment processes designed to guide decision making in the development of goals and plans, to improve programs and services, and to make resource allocations. Formal assessment of academic and nonacademic departments occurs through program review, accreditation, annual assessment reporting, and the administration of various surveys. Such activities have been instrumental in pointing to areas for growth and contraction as the strategic plan is implemented.

Chapter 6: Linked institutional planning and budgeting processes are in place

Slippery Rock University conducts planning across the Institution and connects these plans to resource allocation decisions. The University has embraced widespread input in formulating the new strategic plan. It is being matched by a new Campus Master Plan, again generated by scores of stakeholders. The budget process involves using sophisticated enrollment projections and assumptions about political financial decisions to judge the scope for funding budget requests for non-personnel and personnel expenditures. Requests must include rationales couched in terms of strategic goals and stating assessable outcomes. Priorities for budget increases hinge on the degree of support for the University's mission and strategic priorities of each proposal. Performance incentives are awarded to departments for success in achieving university goals, such as faculty productivity, student enrollment and retention.

Chapter 2: Institution's response to recommendations from the previous evaluation and to Commission actions

In 2011, the Middle States visiting team affirmed Slippery Rock University's accreditation and awarded 16 commendations for the institution's effective leadership and the "enormous progress" made since the last self-study. The Commission found that the University complied with all MSCHE Requirements of Affiliation, Federal Title IV requirements, and the fourteen Standards of Excellence for MSCHE accreditation. The visiting team had no recommendations for the University.

Although there were no Middle States recommendations, the SRU community used the self-study process to assess the University's educational mission, and its goals and objectives. This led to a series of observations and campus recommendations. Since 2011, the administration and faculty have reviewed and used these observations and recommendations to inform subsequent planning and activities. Most recommendations have been addressed, while some have lost relevance as the mission of the University has shifted to better address changing employer needs and student preferences.

Table 2.1 below summarizes the number of recommendations of both the visiting team and the Slippery Rock self-study team by self-study chapter. The self-study team recommendations are addressed in Appendix 2.1.

Table 2.1 Self Study Recommendation Summary

2011 Self-Study Chapters	Visiting Team Recommendations	SRU self-study team recommendations and observations
Chapter 1: The University Context	0	5
Chapter 2: Strategic Planning, Budgeting, and Evidence-Based Decision Making	0	3
Chapter 3: Assessment	0	7
Chapter 4: Academic Quality	0	9
Chapter 5: Student Support and Educational Activities	0	8
Chapter 6: Leadership and Integrity	0	7
Total recommendations	**0**	**39**

One of the most noteworthy shifts in direction for Slippery Rock University since 2011 relates to a recommendation in Chapter 1 of the self-study (*The University Context*) that concerns the Institution's position as a "premier public residential" university. Historically, SRU has been known as a premier residential undergraduate institution. Although there is no intention to reduce the University's commitment to quality undergraduate programs and a caring residential environment, the Institution's vision has expanded to increase agility in program development and to reach new markets nationally and abroad.

This renewed emphasis focuses on excelling as a caring community of lifelong learners connecting with the world. President Cheryl Norton has placed great emphasis on achieving this vision. SRU's academic departments have worked to define lifelong learning in the context of graduates in their disciplines, and the correlating implications for Slippery Rock's academic offerings. As such, the University has been undergoing a renewal of vision, mission, and strategic goals. The new statements were designed and vetted through the Strategic Planning Committee, and the president's cabinet, with additional participation from staff and faculty.

As a result of this revision process, the University has expanded its identity by increasing its engagement with graduate programs, online learning, international college agreements, and non-campus based locations such as the Regional Learning Alliance Education Center. With the focus on lifelong learning, the composition of the student body will likely shift somewhat to graduate students engaged in degree programs, certificates, and non-credit courses. The University has a model in place, described in Chapter 4, which identifies such enrollment changes and links them to the budgeting and program development processes.

Since the self-study in 2011, Slippery Rock has also continued to be focused on assessment and a subsequent improvement cycle tied to planning and budgeting. University decisions are tied to the University Strategic Plan, and in 2014, the president and provost required each unit to prepare a strategic plan that would align with the University plan and that of the Pennsylvania's State System of Higher Education (PASSHE). These areas include both academic and administrative offices. Assessment is discussed more fully in Chapter 5.

Chapter 3: Challenges and Opportunities

Introduction

This chapter identifies the most important challenges and opportunities for Slippery Rock University over the next five years, as related to the MSCHE standards. Over the past few years, a foundation has been laid for SRU to build an even more successful future. The bedrock is the revised university mission and strategic plan, an organizational structure that supports the plan, and a healthy financial base from which to invest in strategic priorities. These elements have enabled the introduction of new programs, the establishment of new locations, the greater use of online modalities, and the development of international partnerships. This foundation is already starting to allow the University to achieve its mission to a greater extent. In particular, enrollments are beginning to grow, especially in market segments beyond full-time undergraduates. The University is in position to continue to develop its strong base, cultivate opportunities, and strengthen its future.

The challenges for the University, which are common to most public institutions, include uncertainties about state financial support, aging campus facilities, struggles to keep up with changing technologies, and the inherent difficulties of faculty and staff adjusting to evolving institutional goals and structures. However, the opportunities at Slippery Rock University should far outweigh the challenges during the next five years.

Standard 1: Mission and Goals

Opportunities

In 2015-16, a collaborative process led to the refinement of the University mission, and to the establishment of nine strategic goals.

1.1 Vision and mission

The vision of SRU to excel as a caring community of lifelong learners connecting with the world remains intact. The mission (outlined in the executive summary) has been re-crafted with input from across the university to better represent the University and to allow for agility in addressing regional, national and world changes. It still answers the three fundamental questions of what we do, how we do it, and for whom we do it. However, there are new emphases:

- What we do: The mission now states that SRU strives to be “a best-value institution with an affordable cost and substantial student financial support.” While still mentioning the tri-partite role of the academy – instruction, scholarship, and service – the mission excludes a list of the academic areas offered, which supports flexibility in new program development.
- How we do it: The mission now elaborates on how students are transformed, emphasizing the role of faculty and staff; both curricula and experiences; powerful pedagogies, appropriate learning spaces and instructional technologies; a caring and safe environment; and high-quality student services. The emphasis on academics and the services that support academics illustrates the interwoven relationship of academic and student affairs in student success.
- For whom we do it: The mission has moved from a focus on “serving all segments of the population” to “serving a diverse student body,” and “anyone regionally, nationally, and internationally who can benefit.”

These changes are not the result of simple wordsmithing, but reflect and make explicit real changes in priorities that had been emerging and implicit for some years. The new mission is thus a much improved guide to action for the University.

1.2 Strategic goals

The previous SRU strategic plan was derived primarily from the global trends identified by the Center for Strategic and International Studies (CSIS) as being critical through 2025. The notion was that SRU should prepare its students to live in a globalized society, to use Science, Technology, and Math (STM) competencies, to be culturally aware, to access education regardless of ethnicity and socio-economic status, and to promote sustainability. Reflecting the culture of SRU, the plan also called for student awareness and participation in health and wellness activities. Progress toward the goals was to be propelled by enrollment management strategies, the recruitment and retention of quality faculty, and financial resources generated through operational efficiencies and new funding sources.
To be sure, this was an innovative approach to framing a plan. However, changing internal and external circumstances presented an opportunity for further reflection and refinement. Over time, the CSIS updated its analysis and changed some key global trends. More importantly for Slippery Rock, the State System introduced a strategic plan providing new guidance for constituent universities. Performance indicators with implications for state appropriations continue to incentivize progress toward specific goals, especially concerning student access and success. Linkages between University and System goals were to be specified in annual Action Plans. Locally, the administrative divisions of SRU developed strategic plans of their own to supplement the University plan with additional relevant priorities. As a result, during 2015 and 2016, a university strategic planning committee, with membership from stakeholders across the institution, devised a new strategic plan that refined institutional goals in light of these changing conditions. While the global trends were still relevant, not all were front and center and some were more appropriately seen as institutional values.

As of today, there are nine goals:

1. Increase enrollment while enhancing student quality and diversity.
2. Offer a quality, flexible, agile, and integrated curriculum and co-curriculum to develop the intellectual, social, physical, and leadership capacities of students.
3. Fuel learning with powerful pedagogies and transformational experiences in and out of the classroom.
4. Maintain an unwavering focus on success for all students.
5. Provide a supportive campus experience through quality housing, dining, recreation, health, safety and administrative services, and a caring community.
6. Attract, retain, and develop highly qualified and diverse faculty, staff, and administrators.
7. Increase financial resources, enhance physical facilities, employ cost-effective technology, and use sustainable processes and procedures.
8. Engage alumni and friends in the life of the University.
9. Support external communities through programming and expertise.

The strategic plan is a living document. As progress toward achieving the plan is assessed, and as circumstances change, the goals and strategies may be modified. The new goals correlate better with administrative divisional responsibilities, are more easily measured, and provide more direct avenues for alignment with departmental plans. Committees have formed around each of the nine goals and have been meeting regularly to develop appropriate strategies, responsibilities for implementation, timelines, assessment measures, and resource requests. The campus community has been updated through presentations over the past academic year to facilitate the adoption of related plans throughout the organization.

Standard 2: Planning, Resource Allocation, and Institutional Renewal

Opportunities

While there have always been linkages between plans, resources, and institutional renewal, the 2014 reorganization of these matters into a single, focused Office for Planning, Resource Management, and Assessment (PRMA) helps to ensure plans, resource allocation, and assessment are inextricably linked in the Academic and Student Affairs division, which accounts for the majority of university resources. The office functions break down as follows:

- Planning: Provides support for those engaged in planning at all levels. Occasionally, the support may be assistance with planning processes; more often it is information, data, and analyses that inform the direction that plans take.
- Resource Management: Includes oversight of the budgeting process, oversight of expenditures, and reconciliation; academic facilities planning and some of its resourcing; and auxiliary oversight – dining, residence halls, the student center, campus recreation, and student health services.
- Assessment: Includes the management of the five-year program review process, regional and disciplinary accreditations, and academic program and non-academic function assessment. It also encompasses the collection and submission of summary descriptive data to the federal government and accreditation bodies.

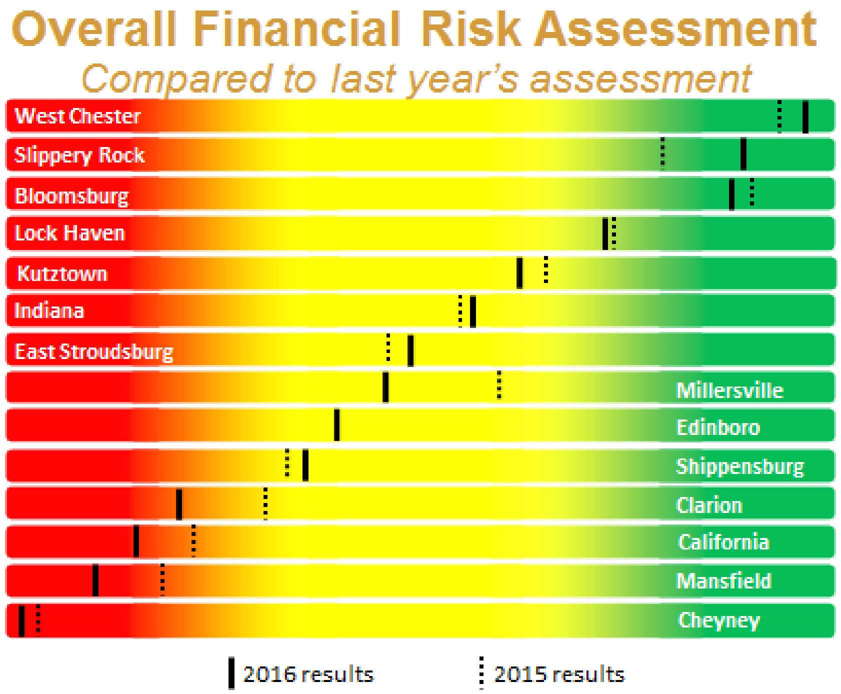
The cycle facilitated by the PRMA office is most evident in the planning of the fifteen new academic programs developed in the past few years. In each case, a project team was set up which included PRMA personnel - a business intelligence officer, a budget expert, and the assessment and program review coordinator - as well as interested faculty and a Provost Office representative. Environmental scans of student interest, employer needs, and the supply of existing programs were used to identify future markets. A five-year budget was developed for each proposed program showing the likely revenue based on predicted student enrollments, and the personnel, capital, marketing, and other overhead costs in each year. Assessment protocols were also determined. After internal and System-level approval, the programs were launched. They are now subject to ongoing financial oversight to ensure the projections are achieved, and academic oversight to ensure that faculty conduct assessments of student learning outcomes leading to program improvement.

Standard 3: Institutional Resources

3.1 Financial resources

In general, SRU's financial position is healthy. The State System evaluates each of the 14 constituent universities each year for financial risk. Ratings are based on a broad constellation of factors: market demand (a function of enrollment and population trends, projected enrollment, and brand strength); operating efficiency (density of space, investment in plant, revenue sources, and expenses per student); and financial performance (operating margin, unrestricted net assets, and debt). SRU ranks second least risky in the System on these factors in 2016. It increased its rating more than any other university in the past year improving from its third place standing in 2015 (see Chart 3.1). This gives SRU relatively more opportunity to pursue its mission and goals.

Chart 3.1 Overall Financial Risk (*Source: Financial Risk Assessment Summary Report, PASSHE, January 2016)*



Beyond the risk analysis, other opportunities and challenges influence the financial resources and health of the University. As the section on education offerings (linked to Standard 11) explains, SRU is entering new markets - with new disciplinary programs, at new locations, and using new modalities - which will provide opportunity for tuition revenue growth. Care is taken when planning to ensure that programs can break even and then create positive net revenues soon after they matriculate their first students.

Fiscal management remains challenging due to the uncertainty of external economic factors over which SRU exercises little direct control. Uncertainty also results from external decisions being made late in the budget cycle and not knowing what competitor universities are going to do. Changes in markets for students and health care, and State System decisions about tuition rates, fees, state appropriations, and contractual pay raises can have enormous short term impacts on financial management. The magnitude of the impact is related to the large contributions to revenue made individually by tuition, fees and appropriations, and the largest component of costs being related to employee salaries and benefits.

While the risk analysis includes the declining numbers of high school graduates in Western Pennsylvania, it does not recognize the increasing competition from other universities, public and private. In recent years private schools have become more aggressive with tuition discounting. This has necessitated devoting more resources to scholarships to maintain SRU's market position. A further complication common to all state universities is that the Board of Governors at the System level avoids increasing tuition rates beyond the Consumer Price Index due to a concern with affordability. The local Council of Trustees is similarly reluctant to increase fees for health services, recreation, student facilities, dining, and residence halls.

The Legislature and Governor are generally averse to increasing state appropriations, which account for approximately one quarter of SRU's E&G budget. In fact, they reduced state appropriations to the

System by 18% in FY2012 – after which they were stable for several years in spite of inflation. However, one encouraging sign is that appropriations rose by 5% in FY2016.

Cost increases in excess of revenue increases will likely continue to reduce the real value of the resources available. Of primary concern are health care costs, pension costs, and labor contract costs, including general pay increases and step increases. Therefore the System is working diligently to redesign benefit and retirement plans and negotiate affordable labor contracts to reduce costs to universities.

3.2 Facilities

Challenges

The challenges are twofold. First, there is a pent-up demand for facility improvement and expansion. A master plan for campus is being developed to establish priorities. According to Sightlines, the University's facility analysis contractor, a substantial amount of deferred maintenance requires attention. In the educational arena, some buildings have outdated classrooms and offices. While classrooms are renovated on a rotating basis, progress is slowed by resource constraints and limited seasons in which students are absent. On a more mundane level, asbestos needs to be removed, HVAC systems and bathrooms need to be updated, and doors and windows need to be modernized to save energy.

As SRU develops new academic programs, some require facilities that are different from what currently exist. One example is the Physician Assistant program which required a large room with physical examination tables. Another is the Petroleum and Natural Gas Engineering program which will need basement floors with strong foundations to house heavy equipment. These are expensive facilities.

As pedagogies change, for instance to feature collaborative learning, appropriate technology and furniture is needed. Sometimes class size is reduced as a result of the classroom renovations, and there are requests to remove walls to increase classroom footprints.

The second challenge is funding. While the need for investment in facilities is critical, the amount of capital funding available from the state does not meet that need, and the process for obtaining funds is slow. Every April, SRU submits its capital construction priorities to the State System with the goal of having its priorities selected for inclusion on the five-year funding plan. As the System only receives $65 million annually, it cannot fulfill every funding request that its fourteen member institutions submit. Annual priorities submitted are ranked using a number of criteria.

Given limited state funding, SRU has to estimate its major capital needs a minimum of 8-10 years in advance. This lengthy planning cycle limits SRU's flexibility in meeting its students' needs. Once a project is selected for the five-year funding plan, the amount of funding is locked into place. If a new need is identified that requires a significant increase in a project's requested funding, there are very few options. SRU can add funds to the project or it can delay the project several years until the System can allocate additional funds.

Once funding for the project is approved for release by the Board of Governors, a request for the release of funds is submitted to the State Budget Office. The State Budget Office processes the request and releases the funds to the Department of General Services (DGS). If there are any legislative issues with the State budget, the funds will not be released until the issue is resolved.

Opportunities

The funding challenge can be partly offset in two ways. With a low debt service ratio of approximately 4 percent, there is opportunity for selling bonds to help finance construction. Using this financing, SRU hopes to raise approximately $20 million later in 2016. In addition, SRU is obtaining ESCO bond funding. It is working with Honeywell to gain energy efficiencies which will generate the financial savings.

The University can try to address delays in creative ways. For example, the SRU Foundation recently bought a local building, which the University is renovating and leasing back, to house the recently approved Master of Science in Physician Assistant Studies program. This arrangement allowed the University to meet new program needs on a tight time schedule which could not be accommodated through System and state approval processes.

3.3 Technology

Opportunities

SRU has been redirecting hardware assets over the last two years. For example, several general labs and computer carts have not been replaced saving approximately $150,000 per year. Student computers are being comprehensively reviewed to determine if the replacement cycle can move to four years. Three further phases will be to open up more departmental labs, schedule the resources more appropriately, and begin the technology virtualization process.

Major investments will be made over the next several years to acquire and standardize software. Productivity should improve with new software for evaluations and surveys, workflow software for curriculum and sundry processes, and storage. Standardization will also reduce the number of shadow systems and processes, which will help focus support and make staff more efficient.

Finally, work is being done by the State System Chief IT Officers group to develop standard needs across campuses and to purchase standard applications such as workflow software, productivity tools, and security programs in bulk. Past results have been good.

Challenges

All institutions face problems in recruiting and retaining quality technical staff. As more STEM programs are launched, technical staff will need to be recruited and embedded in STEM departments. SRU is not located in an area that will attract this type of employee, nor is it seen as competitive in the growing technology markets of Pittsburgh and Cleveland. A major concern will be to avoid becoming a training ground for new professionals, losing them after one or two years of training and experience.

SRU also faces a cultural issue on campus. Some faculty and staff oppose change, however slight. Whether the change involves enforcing system security measures, adding a process, or providing a better service, the change is typically met with resistance by some, rather than a willingness to evaluate and respond accordingly. In response, the University has been careful to include constituents from across campus in advisory committees for initiatives. Although this additional layer can slow implementation, the resulting support has been beneficial in creating change in the campus culture.

Finally, there is an inevitable tension between security and convenience. SRU has to be more diligent with the security of processes, applications, and devices, but this detracts from IT being perceived as friendly, customer-service oriented, and timely.

Standard 4: Leadership and Governance

Opportunities

The decision-making roles of the state-level Board of Governors (BOG) and the Office of the Chancellor (OOC), together with the university-level Council of Trustees (COT) are clear, and they are able to fulfill their responsibilities autonomously. To be sure, this system of checks and balances has a useful function in preventing poor decision-making and ensuring the wise allocation of public resources.

Challenges

Membership in a system can circumscribe the flexibility and agility of the University in several ways. First, the BOG adopts a state-wide approach to most financial matters. In particular, tuition levels are the same except for a few tuition pilots that have been granted to a few universities. Tuition rates do not take account of the competitive position of individual universities, nor the differential costs of programs. In respect of wage and salary costs, which are the major cost element in university budgets, there are state-wide collective bargaining agreements which are not responsive to regional differences in the cost of living or operational differences. Fortunately, however, SRU has been permitted to charge science lab fees and higher tuition for petroleum and natural gas engineering courses.

Second, inevitably, politics drive decisions, with the needs of the universities being subordinated to concerns about how tuition and fee increases will be viewed by the public and by other political actors.

Third, lags are common. Academic approval processes take time. In 2014 the OOC revised its procedures and changed its practices to be more accommodating to new program proposals. However, in 2016 a more stringent review process will be implemented. This may hinder SRU's agility in the academic marketplace. That said, SRU has developed strong collegial relationships with System administrative leaders who will continue to help the University meet its goals by effectively navigating System policy and change.

Standard 5: Administration

Opportunities

Structure should follow the mission to enhance the likelihood of the University achieving its purpose. As the revised mission makes clear, SRU seeks to transform the whole student through the work of faculty and staff in the curriculum and co-curriculum. Further, the goal of student success is only achieved if students are retained. Attrition is a complex phenomenon, resulting from academic and non-academic causes. It is self-evident that organizational success requires close cooperation between academic and student affairs, and respect for both functions.

Prior to 2014, there were four divisions led by vice-presidents: Academic Affairs, Finance and Administration, Student Affairs, and Advancement. The order of influence was as listed. It was also manifested in the order of succession should the president be absent. This did not fit well with the emerging mission and goals. Spurred on by departures of vice-presidents and budget challenges, but more for strategic reasons, the four divisions were reorganized into two divisions – Academic and Student Affairs and Finance, Administration, and Advancement Services. The reorganization was intended to foster greater integration between functions and reduce the consequences of silos, as well as raise the importance of student affairs and advancement.

The most significant change was the creation of the Academic and Student Affairs division. Because both Student Affairs and Academic Affairs had planning, resource management, and assessment personnel, they were combined into the single associate provost area discussed earlier called PRMA. There were formerly units in both divisions related to ensuring student success, so they were integrated under a new Associate Provost for Student Success. Finally, the two former divisions included units which sought to provide students with, or support faculty in providing, educational and co-curricular experiences. These were brought together under the new Associate Provost for Transformational Experiences.

In summary, the Associate Provost for Student Success oversees academic services, retention services, students requiring accommodations, multicultural development, residence life, student conduct, student health and wellness, and campus recreation. The portfolio of the Associate Provost for Transformational Experiences includes global engagement, undergraduate research, service learning and volunteerism, student involvement in clubs and organizations, distinguished scholarships, the library, and career education and development. These two positions, as members of the Provost's executive council, illustrate the integration of Academic and Student Affairs in the leadership of the institution.

Challenges

A change in structure is but one step in achieving the revised mission. Behaviors need to change too. This requires communicating desired behaviors, training in some cases, making employees accountable, and reinforcing good outcomes with rewards. Communication of successes to all stakeholders is needed to ensure that perceptions match reality. In short, a culture change is underway.

As with most reorganizations, there is some resistance to change. There are understandable fears of working under and with new people. There is a feeling of loss of former work relationships. Rather than relying on old ways of working, employees are being asked to forge new partnerships in the organization, such as between student affairs and faculty. Students may worry about the attention they will receive as a result of working with two associate provosts versus a vice president for student affairs, who they may perceive as having a direct line to the president. As a result, outreach to the Student Government Association has been increased, and broad-based inclusion of all areas in strategic planning is underway.

The University will have to ensure that the intended working relationships are occurring, and are paying dividends in terms of student success and transformation. It must ensure that students receive as much attention as before, if not more. It must persist in communicating the prospective, if not the current value, of the new structure. As such, assessment plans, discussed more fully in Chapter 5, are being implemented that include both analysis of student satisfaction surveys and attainment of co-curricular learning outcomes.

Standard 6: Integrity

Challenges

One concern is the level of academic integrity of students. The internet and the growth of online learning afford more room for unethical student behavior, such that verification of student identity has become a compliance issue for the U.S. Department of Education.

Opportunities

Technology to detect plagiarism and student identity is improving. Since 2011 the institution has provided faculty with tools to reduce the ability of students to engage in dishonest academic practices such as Turnitin, LockDown, and Smart Sync Monitor.

In addition, the University is taking steps to prevent rather than correct academic dishonestly. Foremost, the academic integrity policy and associated sanctions are available on the University website, along with a set of common questions and answers about the University's approach to these matters.

Seventeen examples of academic dishonesty are listed, which allow students to fully understand the breadth of unacceptable behavior. Faculty members are clear in syllabi and project instructions about permissible collaboration with other students and course materials. Bailey Library also provides assistance with proper research citation and has information about plagiarism available on the website. There are also modules on academic integrity in first-year undergraduate student seminars.

Standard 7: Institutional Assessment of Educational Effectiveness and Standard 14: Assessment of Student Learning

Challenges

While the assessment of existing programs has reached maturity, the birth of several new programs, often taught by new faculty, means that new assessment plans need to be developed and implemented. This will require education and oversight in the formative years.

The joining of Academic and Student Affairs calls for integrated assessments. The various offices in the division are working to combine academic and non-academic outcomes assessments into one plan. For instance, study abroad can be assessed in terms of academic and non-academic learning.

Opportunities

In an attempt to advance the use of assessment data, SRU will ensure the consistent and coherent collection and reporting of data through TracDat software. This will allow more meaningful interpretation and use of results across campus units, particularly in terms of cross-University outcomes such as critical thinking.

Standard 8: Student Admissions and Retention

8.1 Admissions

Admissions levels are generally robust, although vary from year to year. For example, the number of new freshmen was similar in 2011, 2012 and 2015, but lower in 2013, and higher in 2014 with the largest freshman class in the history of the institution. The quality of freshmen, measured by average SAT, has seen a slight decrease over recent years. Diversity, indicated by the proportion of under-represented minorities in the undergraduate population, has continued to increase, and is now at 10.6 percent. Graduate enrollments have been increasing as new programs and modality options have been introduced. The forecast for the next five years is guardedly optimistic.

Opportunities

The main reason for optimism is the introduction of new programs at both the undergraduate and graduate levels (see Section 11). Certainly, there may be some cannibalization at the bachelor's level as more opportunities are available, but some enrollments will be new. The master's programs should attract students who would have otherwise studied elsewhere or not at all. Proposed reforms of the Honors Program are intended to reverse the slight decline in average quality.

Scholarships are being increased. An additional $800,000 in E&G resources was allocated for the current recruitment campaign. This should help SRU compete for well-prepared students, as well as under-represented and low-socioeconomic-status students.

Enrollment strategies are continually being refined. Consultancy and software are being employed to inform the allocation of scholarships. Faculty members are offering humanities courses in a predominantly minority high school, and bringing students to campus to accustom them to university life.

New markets are being recruited. Notably, staff members are venturing overseas to participate in recruitment fairs and to build pipelines with high schools and universities. As a result, international admissions increased 17 percent in 2015-16.

Challenges

As cited in the institutional resources section (Standard 3), competition from regional universities in the public and private sectors in a declining market for high school graduates is slowing growth of traditional students. Additional scholarships are needed to stem this. The Enrollment Services sub-division meets regularly with the SRU Foundation to request and justify needed and anticipated funding, based on data collected.

In a few disciplines, there are limits to the numbers of students which can be accommodated in the program. Occasionally, accreditation rules set maxima or ratios of faculty to students. In certain other cases, facilities are a temporary constraint pending the construction of new spaces, such as labs.

8.2 Retention

SRU's retention and graduation rates are already high in comparison to similar institutions. In the State System, SRU ranks first or second, depending on which indicator is used. Retention to second Fall is 83.3 percent (second in System); graduation in 4 years is 49.5 percent (first); and graduation in 6 years is 68 percent (second).

Opportunities

Although it will be challenging to increase retention significantly, there is a foundation on which to build. It begins in Enrollment Management where it is recognized that admission standards need to remain high. After matriculation, there is a strong culture of caring for and supporting students, as revealed in satisfaction surveys. The new Student Success subdivision, with academic and student affairs personnel working together, should ensure a laser-like focus on retention.

Challenges

The SRU student body is changing in ways which may challenge improvements in retention. Competition with other universities on scholarships has already caused SRU to lose well-prepared students who are most likely to graduate. The student body is increasingly composed of students with a lesser ability to afford college, with competing objectives (adults and veterans), who hail from a distance (eastern Pennsylvania, out of state and international), who are the first generation in their families to attend college, and who have medical (especially mental health) issues. These characteristics reduce the prospect of graduation.

The strategic challenge thus becomes to find ways in which at-risk groups can be helped to succeed. This is an important priority for SRU going forward.

Standard 9: Student Support Services

Opportunities

SRU's vision is in part to be a caring community. Satisfaction survey data suggest that the University performs relatively well.

Recent and planned changes increase the likelihood of greater support for students. First, the integration of academic and student affairs links academic services (such as tutoring and advising) with health and wellness services, disability services, support for special student populations, residence life, and intervention services. This facilitates a whole-person approach to success. Second, the planned renovation of the former student union to create a Student Service and Success Center for most student services will result in a “one-stop shop” for student support. There will be broadly trained generalists, as well as specialists in private offices. Service improvements should result, and students should not have to trek from office to office.

Challenges

At the same time, in common with most other universities, SRU is facing significantly increasing demands for student services, especially concerning mental health. Students have enrolled with mental health conditions that they have had for years, as well as some that have emerged during their college years. They are manifested in the rising number of visits to health services and the counseling center, and in requests for accommodations, not to mention cases for the Behavioral Intervention Team, the student conduct process, and retention services.

Moreover, these are typically not short appointments, and monopolize nursing and psychiatric resources. The scope of practice of the Health Services and the Counseling Center is inevitably limited due to financial and personnel constraints, resulting in students using their own insurance to go to outside resources which may not be convenient. The challenge is therefore to educate students about how best to prevent and control conditions such as anxiety and depression in order to keep the caseload manageable. Committees such as the President’s Commission on Wellness and the President’s Commission on Women, among others, have implemented stress reduction, exercise, and meditation programs to help teach students to cope effectively with college challenges.

A second challenge is the shift in the type of student supported. Domestic residential 18-22 year olds are declining as a proportion of the student population. Increasingly, students are enrolled in graduate programs, come from overseas, or are totally online and non-residential. It is necessary to learn what students need to be successful, and be agile in providing appropriate services. For example, international students are requiring Slippery Rock to be responsive to requests for different dining options and language training, and to be more vigilant regarding inclusivity and wellness as related to inoculation records.

Standard 10: Faculty

Opportunities

First, one of SRU’s goals is to recruit, develop and retain a quality and diverse faculty. Nearly all faculty responsible for instructional, research and service programs have terminal degrees appropriate to their discipline. The percentage of tenured and tenure-track SRU faculty who are non-majority (excluding non-resident aliens) is 19 percent, which is second-highest in the State System (of 14 state-owned universities). It compares well with the diversity of the student body, which is 11 percent non-Caucasian. This bodes well for an inclusive campus atmosphere in which there are minority instructors who can be role models for under-represented minority students. The one drawback is that the minority faculty are more Asian than African-American, while the student body is more African-American, Hispanic and multi-racial than Asian. One of the strategic plan goal committees is developing strategies to recruit, develop, and retain diverse faculty in an effort to counterbalance this.

Second, management and the campus chapter of the state-wide faculty union have a good working relationship. In particular, an understanding was reached in 2013 through which the faculty union was amenable to stepping up efforts to increase recruitment and retention through authoring new programs, being more flexible in scheduling and modality, and increasing quality, in order to avoid cutbacks. This helped SRU weather the financial crisis of 2012-14, and will aid the development of a university that can be sustained through any future financial storm. More generally, the two sides have recently developed an agenda each year, consisting of items of mutual interest that need to be addressed. A report on progress is distributed at the last “Meet and Discuss” of the year.

Challenges

While the picture is generally positive, there are two main challenges. The first is that recruitment is hampered by the salary structure dictated by the state-wide collective bargaining agreement. The salary structure is identical across disciplines and locations. As a result, it is difficult to recruit credentialed faculty in disciplines such as accounting, engineering, and certain health sciences due to the inadequacy of salaries. Further, sometimes highly-sought-after accomplished or under-represented faculty members are difficult to attract. It behooves the University to be imaginative within contractual confines.

Second, most collective bargaining agreements have expired and are being re-negotiated. History indicates that the bargaining process at state level leads to anxiety and tension at the local level, and can impede progress toward fulfilling the university mission. With good local leadership on both sides, it is hoped that emotions can be contained.

Standard 11: Educational Offerings

SRU is engaged in reinventing its educational offerings to match the needs of stakeholders – especially students and employers. The past few years have seen the introduction of new programs, the establishment of new locations, and the greater use of online modalities. At the undergraduate level, programs have been approved in Dance (BFA), Petroleum and Natural Gas Engineering, Industrial and Systems Engineering, Corporate Security (hybrid), and Homeland Security (hybrid). Master’s programs approved include an MBA (hybrid and available at the Cranberry Township location), Physician Assistant (located in Harrisville), Data Analytics (online), Health Informatics (online), Public Health (online), Music Therapy (online), TESOL (hybrid), Teaching Online (online), and Athletic Training. A doctoral program in Special Education (online) has also been introduced.

Opportunities

An environment exists which should yield continued innovation in offerings over the next five years. The State System’s strategic plan calls for increases in student graduates, especially in STEM fields, and online. SRU’s plan echoes this. The needs of regional employers are being emphasized by the State System which has conducted supply-demand gap analyses. Current and prospective students, reflecting an increased career focus, are requesting new degrees to enhance their employability, notably at the master’s level. SRU’s international partners provide a rich opportunity for joint degrees. The faculty has been given license to propose programs, and is unleashing its creative powers to generate ideas and proposals for new programs.

Challenges

The unknown factor is how the increased control over new programs by the State System described in the Leadership and Governance section (Standard 4) will affect the approval of new programs. Assuming proposals can be approved, the challenges in some disciplines will be appropriate facilities (Standard 3), recruiting faculty with high market value (Standard 10), and motivating faculty to teach online (Standard 13).

Standard 12: General Education

Challenges

Approximately 15 years ago, SRU faculty developed eight university-wide learning outcomes meant to guide all curricular and co-curricular programs. The Liberal Studies (general education) program student outcomes were then developed, reflecting most of the university-wide outcomes. The Liberal Studies curriculum, which embodies the spirit of the AAC&U's LEAP project, meets the MSCHE standards, and assessment of courses occurs.

However, questions are now being raised about the general education program. The first is whether the student learning outcomes are appropriate in view of new MSCHE standards, revised State System requirements, and the passage of a decade and a half during which the world has changed. Second, although Liberal Studies, majors, and minors are all derived from the same university-wide outcomes, students still puzzle over the relationship between general education and education in the major.

As a result, the Liberal Studies Program Committee (LSPC), along with other stakeholders is engaging in a campus conversation about the future of Liberal Studies. A new part-time release position to coordinate program assessment and revision has been funded and filled. Committee members have attended AAC&U conferences to hear about the latest trends in general education around the country, and are contacting other State System schools to discuss their general education programs. An enhanced assessment plan now includes new direct methods of measuring student achievement and indirect methods such as survey data from alumni, employers and students. The upcoming Professional Development Day, a campus-wide training day in the fall, will focus on the Liberal Studies Program. The committee will share with faculty the results of the data collected and seek their input on possible changes that would help overcome the challenges.

Standard 13: Related Educational Activities

13.1 Additional locations

Opportunities

SRU has access to other facilities away from the main campus where it is appropriate to take programs to where students are located. In particular, it can expand opportunities at the Regional Learning Alliance in Cranberry Township, closer to Pittsburgh, which increases access to adult learners based in the city. It also has capacity at the building in Harrisville, earmarked for a doctorate in Occupational Therapy.

Also, as the University seeks to internationalize in different ways, it is being approached by overseas universities to partner in offering degrees. Conventional 2+2 or 3+1 degrees in which foreign students come to SRU for one or two years are most common. In a few cases, overseas partners are requesting the latter portion of the degrees be offered in their own countries, so as to increase access to an American education for their students who would not be able to afford to live in the U.S. The opportunity for SRU is potentially huge, and would allow positive net revenues to subsidize domestic educational activities.

Challenges

The challenges stem from the constraints of System policies and the collective bargaining agreement. These limit flexibility in the tuition that can be charged and the salaries that can be paid, even in a low-wage/low-cost country. In addition, legal considerations need to be resolved to the satisfaction of the universities in each country. Nevertheless, progress has been made in arranging these agreements. For example, the National School of Business Management in Sri Lanka is in negotiation with SRU to offer physics, biology, and chemistry degrees on its campus.

13.2 Distance Education

Opportunities

At SRU, the demand for online education is increasing. A few programs have changed from on-ground to online, while some new programs began online. Currently, at the graduate level, 65 percent of students are totally online, while 10 percent are partly online. These figures will increase with the addition of more online programs in Fall 2016. At the undergraduate level, 4 percent are wholly online, and 13 percent are partly online. The opportunity for SRU is that it can extend its reach to students who are otherwise bound by location, family and work.

Helping to create this opportunity is the improving functionality of online learning management systems. Publisher software is also becoming ubiquitous across disciplines. Software capability is ever-increasing, such as in adaptive learning.

In addition, the University provides in-house training for faculty to ensure that they have the skills to teach effectively in the online modality. The College of Education has also developed two opportunities for students to earn a certificate or a master's degree in online teaching, which positions Slippery Rock as a leader in establishing good practices in this area.

Challenges

In spite of the spread of online learning at SRU, there is still some skepticism about the modality. Some faculty dislike the teaching process compared to on-ground classes. It is difficult to overcome preferences for face-to-face instruction by some faculty, but SRU is now hiring faculty with the expectation that they will probably have to teach online at some point.

Certain faculty and administrators worry that online student outcomes are inferior. The research evidence shows that there is no significant difference between modalities, and this is communicated across campus. Locally, although SRU requires training before teaching online, monitoring will need to occur, which is difficult under a collective bargaining agreement.

Should the balance of online students and on-ground students change dramatically, there will be adverse consequences for campus services with high fixed costs which are reliant on fees from on-ground students. A good example is campus recreation, an auxiliary which cannot be subsidized from E&G funds. The University will have to review its services and fees in that eventuality.

Conclusion

The University and its surrounding environs—the region, state system, state, and the world—are affected by ongoing change that provides both opportunity and challenge. By looking critically at the institution, campus members have worked to strengthen the mission and hone the direction of institutional activity to best support student success. The University will continue to adapt to opportunities and challenges with agility and creativity as demonstrated through its actions over the past several years.

Chapter 4: Enrollment and Finance Trends and Projections

Introduction

This chapter demonstrates the past trends in, and future projections for, enrollment and finance. The University uses its strategic planning process to improve its enrollment and financial condition. As the previous chapter shows, both the former and current strategic plans include goals related to enrollment and funding. Other goals, especially relating to curricular innovation and student retention, are intertwined with enrollment and finances. Progress in creating new curricula, reaching new student audiences, and improving retention, have produced healthy enrollments. In the meantime, strategic efforts to minimize cost increases without damaging the University's ability to offer a quality education have contributed to a buoyant financial position. Projections for future years, while conservative, show that the positive trends should continue as the Strategic Plan continues to be implemented.

Enrollment Trends & Projections

In analyzing enrollment at SRU, it is particularly important to consider undergraduate and graduate students as separate market segments. Due to demographic changes, shifts in employer and student needs, and university strategies, the trends in each segment are different.

Historical Enrollment Trends

As Figure 4.1 shows, over the 2011-15 period total undergraduate headcount, FTE and credit-hour enrollments fell initially and then stabilized. This was due to adverse demographic trends which caused the number of students graduating from high schools to diminish, and ushered in a new era of heightened competition between universities and colleges in the region for those students. Community colleges faced the same market conditions, leading to fewer transfers, and declines in the numbers of juniors and seniors at SRU.

At the graduate level, the primary shift was the increase in the number of part-time students. This was due to the launch of a few new and reorganized programs in areas of growing demand. Full-time enrollments remained steady. Graduate FTE and credit hours duly rose.

Overall, total students fell through 2013, reflecting the trend in undergraduates, but then recovered as the graduate enrollments increased. As of today, SRU is poised for further growth.

Another sign that enrollment trends at SRU are healthy is that compared to other universities in the State System, enrollment growth has been third-highest over the last two years (Figure 4.2). The two universities with superior growth are at the other (eastern) end of the state, where demographic changes are quite different. SRU's western neighbors in the System (IUP, Edinboro, Clarion, California) have experienced enrollment declines. (See details of enrollment activities in Appendix 4.1)

Figure 4.1 Undergraduate and Graduate Students at Slippery Rock University by Class Status

Undergraduate Students					
Full-time & Part-time Undergraduates	***2011***	***2012***	***2013***	***2014***	***2015***
1st Time Freshmen	1,536	1,546	1,408	1,586	1,524
Other 1st Year	570	590	628	604	562
Sophomores	1,818	1,691	1,660	1,647	1,786
Juniors	1,784	1,762	1,705	1,626	1,613
Seniors	2,057	2,101	2,055	1,969	1,892
Non-Degree/Other	62	47	27	40	62
Post-Bacs	*134*	123	112	115	144
Total Undergraduates	7,961	7,860	7,595	7,587	7,583
Graduate Students					
Full-time	378	353	354	412	370
Part-time	373	346	398	496	675
Graduates, Totals	751	699	752	908	1045
Headcount Total	8,712	8,559	8,347	8,495	8,628
Undergraduate and Graduate FTE and Headcount					
Undergraduate FTE	7,766.80	7,687.20	7,406.47	7,387.53	7,402.40
Graduate FTE	522.92	494.42	523.58	613.25	636.5
Total FTE	8,289.79	8,181.62	7,930.05	8,000.78	8,038.90
Undergraduate Credit Hours	116,502	115,308	111,097	110,813	111,036
Graduate Credit Hours	6,275	5,933	6,283	7,359	7,638
Total Credit Hours	122,777	121,241	117,380	118,172	118,674

Figure 4.2- PASSHE Enrollment Fall 2013 to Fall 2015

University	2013	2014	2015	% FTE Change Since 2014	% FTE Change Since 2013
Bloomsburg	9,263	9,127	8,839	-3.2%	-4.6%
California	7,106	6,771	6,553	-3.2%	-7.8%
Cheyney	1,191	1,005	678	-32.5%	-43.1%
Clarion	5,088	4,686	4,391	-6.3%	-13.7%
East Stroudsburg	6,123	6,194	6,246	0.8%	+2.0%
Edinboro	6,031	5,839	5,562	-4.7%	-7.8%
Indiana	13,116	12,537	12,051	-3.9%	-8.1%
Kutztown	8,783	8,518	8,340	-2.1%	-5.0%
Lock Haven	4,977	4,566	4,339	-5.0%	-12.8%
Mansfield	2,660	2,504	2,190	-12.5%	-17.7%
Millersville	7,181	6,931	6,746	-2.7%	-6.1%
Shippensburg	6,700	6,441	6,223	-3.4%	-7.1%
Slippery Rock	7,930	8,001	8,039	0.5%	+1.4%
West Chester	14,109	14,274	14,632	2.5%	+3.7%

Enrollment Projections

The Office of Planning, Resource Management, and Assessment (PRMA), in consultation with leadership in Enrollment Management, Student Success, Transformational Experiences, and Finance, Administrative Affairs and Advancement, developed a five-year enrollment projection model. Unlike static enrollment projections, SRU's enrollment projection model allows users to interact with the data to monitor current conditions and modify projections based on environmental changes or changes in the assumptions. The utilization of the projection model has improved both enrollment and financial planning for the institution.

Figure 4.3 provides an extraction of the enrollment forecast data for the next five years. The data are based on the following assumptions:

1. Growth in new undergraduate and graduate programs.
   New academic program enrollment projections serve as the primary driver of enrollment increases over the next five years. The new academic program growth referenced in the model includes approved undergraduate and graduate programs cited in Chapter 3.

2. Growth in degree completion programs.
   SRU offers online degree completion programs through the Department of Interdisciplinary Programs. More concentrations are being introduced in the coming year.

3. Increased market share of primary markets.
   With a more aggressive financial aid strategy (see below) and better business intelligence from Ruffalo Noel Levitz (see below), SRU is better able to compete with other public and private institutions for undergraduates.

4. Expansion of secondary markets (international, out-of-state, eastern Pennsylvania, contiguous states to Pennsylvania).
   SRU has been developing pipelines from other states and countries over recent years. The university has reached agreements with foreign universities to offer 2+2 and 3+1 programs. Staff travel overseas to recruit at fairs and in high schools. These investments are starting to pay off.

5. Competitive renewable scholarships (merit and need-based).
   An additional $800,000 has been added to scholarships for both high-achieving and low socio-economic applicants for the coming year. The Ruffalo Noel Levitz Enrollment Revenue Management System and Forecaster Plus provide important information about maximizing the effect of the University's financial aid awards.

6. Growth in certificate and credential-stacking opportunities.
   SRU is adding more certificate programs to suit student needs. They are able to graduate with identifiable credentials in addition to their major and minor. This should make an SRU education more attractive. In addition, non-degree students may enroll simply for certificates.

7. Retention increase.
   Retention and completion rates are already above the national averages and second or first respectively among System institutions, but are anticipated to increase further. Retention targets are identified for freshmen, transfer students and other specific categories of students including underrepresented minorities, Pell recipients, and first-

generation students. This breakdown of retention data allows retention gaps to be identified and programs created to improve academic outcomes.

Figure 4.3 - Undergraduate and Graduate Enrollment Projections

Fall Term New Student Projections	**Actual**	**Projections**				
Full-time & Part-time Undergraduates	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
1st Time Freshmen – Domestic	1508	1,567	1,582	1,599	1,619	1,630
New Transfer Students – Domestic	563	600	600	610	620	630
New Graduate Students – Domestic	456	508	539	550	560	566
New International Students (All admissions types-Degree & Non-Degree)	51	81	98	119	133	137
New Undergraduate	2,122	2,248	2,275	2,318	2,362	2,387
New Graduate	456	508	544	560	570	576
Fall Term Undergraduate and Graduate Headcount, FTE, and Credit Hours Generated Projections						
Undergraduate Headcount	7,583	7,642	7,821	7,928	8,072	8,155
Full-Time	7,057	7,121	7,305	7,422	7,570	7,654
Part-Time	526	521	516	506	502	501
Graduate Headcount	1,045	1,160	1,271	1,305	1,317	1,346
Full-Time	370	466	526	547	552	563
Part-Time	675	694	745	759	766	783
Total Headcount	**8,628 (+1.6%)**	**8,802 (+2.0%)**	**9,091 (+3.3%)**	**9,234 (+1.6%)**	**9,389 (+1.7%)**	**9,501 (1.2%)**
Undergraduate Credit Hours	111,036	111,276	114,042	115,772	118,001	119,284
Full-Time	107,890	108,396	111,167	112,940	115,184	116,466
Part-Time	3,146	2,880	2,876	2,833	2,816	2,818
Graduate Credit Hours	7,638	9,572	10,624	10,967	11,068	11,302
Full-Time	4,547	6,242	7,049	7,324	7,393	7,543
Part-Time	3,091	3,330	3,574	3,642	3,675	3,759
Total Credit Hours Generated	**118,674 (+.4%)**	**120,848 (+1.8%)**	**124,666(+ 3.2%)**	**126,739 (+1.7%)**	**129,069 (1.8%)**	**130,586 (+1.2%)**
Undergraduate FTE	7,402	7,418	7,603	7,718	7,867	7,952
Graduate FTE	637	798	885	914	922	942
Total FTE	**8,039 (+.5%)**	**8,216 (+2.2%)**	**8,488 (+3.3%)**	**8,632 (+1.7%)**	**8,789 (+1.8%)**	**8,894 (+1.2%)**
Full Academic Year Projected Credit Hours Generated						
By Term	**Actual**		**Projections**			
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Summer H2	9,471	10,292	11,009	11,656	12,599	13,576
Fall	118,172	118,674	120,848	124,666	126,739	129,069
Winter	6,503	6,666	7,102	7,209	7,245	7,245
Spring	110,526	111,070	113,050	116,685	118,637	120,803
Summer H1	10,258	10,268	10,417	10,736	11,036	11,430
Total	**254,930**	**256,970**	**262,425**	**270,951**	**276,256**	**282,122**
Annual Change		**+.8%**	**+2.4%**	**+3.2%**	**+2.0%**	**+2.1%**
Full Academic Year Projected FTE						
Undergraduate	7,740	7,723	7763	7942	8054	8198
Graduate	947	1024	1231	1362	1443	1508
Total	**8,687**	**8,746**	**8,994**	**9,304**	**9,497**	**9,706**
Annual Change		**0.7%**	**2.8%**	**3.5%**	**2.1%**	**2.2%**

Financial Trends & Projections

Slippery Rock University has taken deliberate measures to protect and enhance its financial viability both now and in the future as evidenced in the enrollment and financial results summarized in this report.

Slippery Rock University implemented a comprehensive financial approach focused on increasing revenue and reducing costs. The results of this plan included a $10 million improvement in projected results for fiscal year 2014/15. Revenue improved through significant efforts in recruiting new students and new program development, resulting in a substantial turnaround for Fall 2014, with a record freshmen class of 1,586 FTE, a 12.6% increase from the freshmen class the year prior of 1,408. Concurrently, the University implemented cost reduction measures by implementing new organizational designs, reallocating responsibilities, and converting positions from twelve months to nine months. New positions have been added with careful consideration and are focused on newly-developed or growing academic programs.

The University's pattern of financial stability with a focus on strategic growth has resulted in continued financial viability as evidenced in operating results, favorable financial audits, healthy financial ratios, and strong future projections.

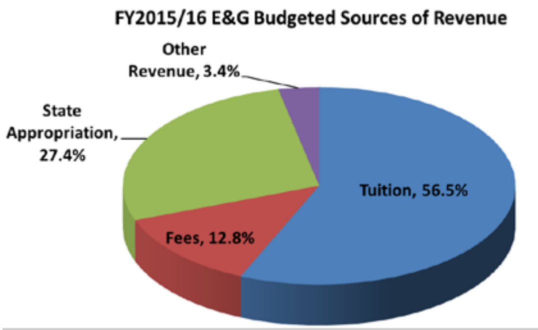
Historical Financial Trends

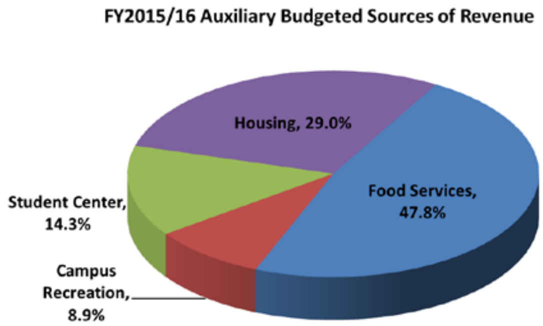
Slippery Rock University's financials consist of annual financial activity reports and the net position balance sheet. The financial activity report reflects actual and budgeted results in the major fund groups: Educational & General (E&G), Auxiliary Enterprises (Auxiliary), and Restricted Funds. The balance sheet contains Plant Unrestricted & Restricted funds, Auxiliary Plant Unrestricted & Restricted funds, and Net Investment in Plant. The majority of the revenue and expense activity occurs in the E&G, Auxiliary funds, and Restricted funds and are the basis of the University budget. Detailed audited financial statements are included in Appendix 4.2, 4.3, and 4.4.

Revenue Trends

Revenues have their own source and usage. E&G funds reflect the core of the University's instruction efforts, academic and administrative support, research, service, and maintenance of the physical plant, and are funded through State appropriations, tuition, the academic enhancement fund, the technology fund, the student life enhancement fund and other miscellaneous revenues from rentals, sales and services. Auxiliary funds are self-supporting activities under the University's control, with income derived from sales of services, products, or fees. These include housing, dining services, the recreation center and the student center. Fees are approved by the Council of Trustees and no tuition or State appropriations are used to support the auxiliary operations. Restricted funds are comprised of grants and financial aid. Figure 4.4 shows an example of budgeted sources of E&G and Auxiliary revenue.

Figure 4.4 – Revenue Sources





Since the 2011 self-study, the State System and the University have experienced several trends in revenue. First, the University experienced a decline in State funding beginning in fiscal year 2007/08. This decrease in State appropriation continued to FY13 and affected all State System institutions. In constant dollars, the largest drop for the University was 13.7% between fiscal years 2010/11 and 2011/12. Second, while base allocations were reduced or remained constant, Slippery Rock University's allocation of State performance funding actually increased (see Chapter 6 for more information on the performance funding program). The University has generally met and exceeded its performance goals, earning increased shares of the State performance funds. Conservative planning for performance funds allowed the University to address potential fluctuations in actual allocations. Figure 4.5 shows actual performance funding dollars received by Slippery Rock University during the most declining years of State appropriation.

Figure 4.5 – Breakdown of State Appropriations Funding

Fiscal Year	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
Base Allocations	32,386,815	28,986,640	28,378,635	28,401,879	28,388,953	30,763,079
Performance Funding	3,558,760	3,205,669	3,331,824	3,872,892	3,932,269	3,766,530
McKeever Environmental Center	368,332	302,032	302,032	302,032	302,032	302,032
E&G Appropriation, Total	36,313,907	32,494,341	32,012,491	32,576,803	32,623,254	34,831,641

The changing relative contributions of State appropriations and tuition income to total E&G revenue is presented in Figure 4.6; following significant reductions to State appropriations in 2011/2012, the University faces a growing reliance on tuition. In part to address increased dependence on tuition dollars, the University's historic reliance on traditional college students was reconsidered, and initiatives were created to attract additional graduate students, international students, and adult degree completion students. As a result, Slippery Rock has seen recent upward trends in enrollment since 2013 (see Figure 4.7). These successful enrollment and retention strategies have resulted in a steady increase in enrollment beginning in the Fall 2014 and continuing into Fall 2015. A complete analysis of marketing efforts can be found in Appendix 4.5.

Figure 4.6 - Tuition and State Appropriation as a Percent of Revenue

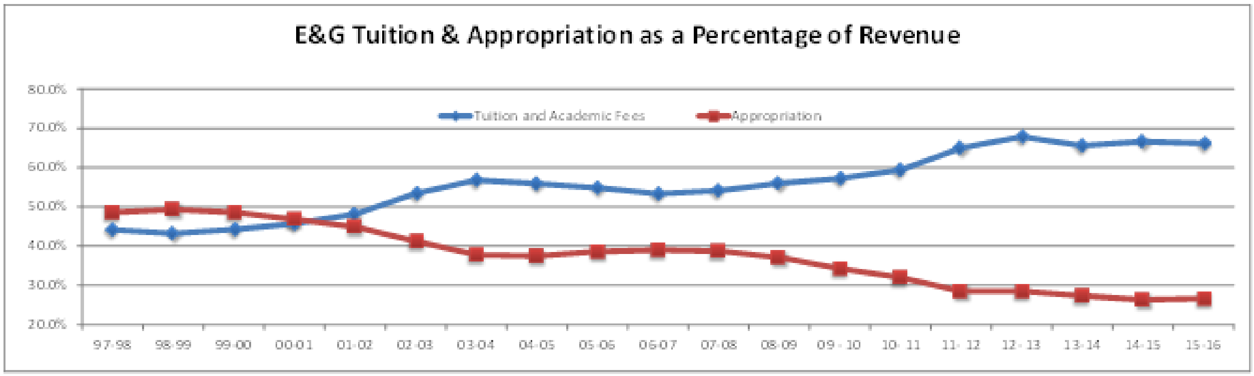
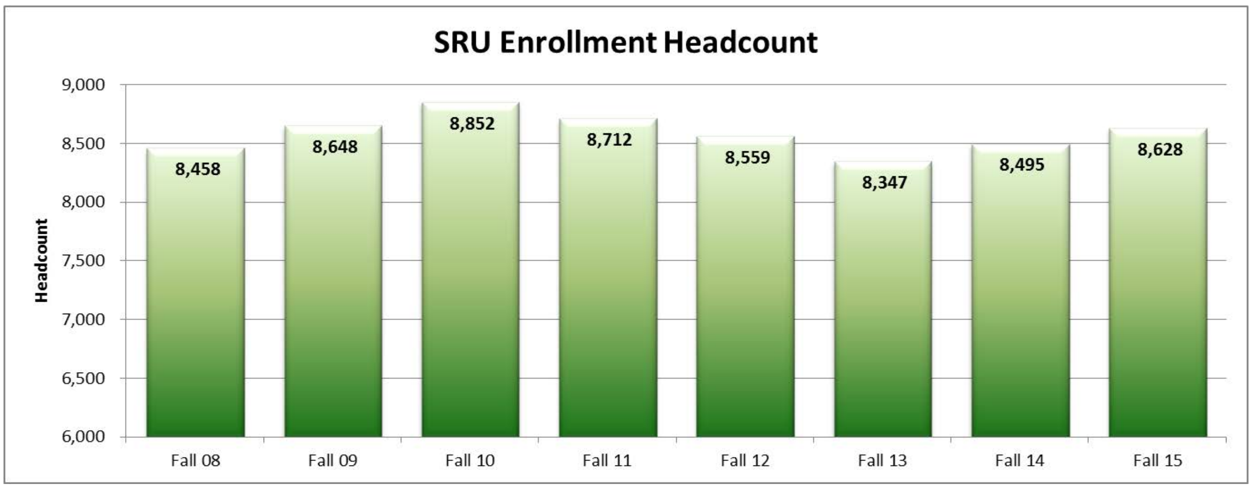


Figure 4.7 - Enrollment Headcount



A strategic priority at Slippery Rock University includes growing enrollment through online education. This was particularly notable in fiscal year 2011 when winter session was instituted to offer online courses during the holiday break. Winter session offers flexibility in scheduling and lessens time to degree completion. More than 40 percent of students graduating in the four years ending in 2015 took at least one online winter course. This growth was facilitated through intentional scheduling of courses to meet student needs.

Also significant in increasing revenue trends was the growth in graduate enrollment. First-time graduate student enrollment has increased 63.6% since fiscal year 2010/11. This is largely due to the new graduate programs, growth in online offerings, and the accessibility of the Regional Learning Alliance location to students in the Pittsburgh area. In addition, the retention rate of continuing graduate students has remained stable. Trends in winter and graduate student enrollment can be found in Appendix 4.6. A summary of Slippery Rock University's revenue is shown in Figure 4.8.

Figure 4.8 – E&G Revenue Sources Summary

E&G REVENUE/SOURCES	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15
Tuition	$57,555,522	$60,839,351	$62,910,360	$64,359,417	$67,732,027
Fees	11,023,133	13,273,271	13,383,265	13,819,678	15,030,201
State Appropriation	36,313,907	32,494,341	32,012,491	32,576,803	32,623,254
All Other Revenue	4,857,273	1,014,976	3,777,143	4,234,943	4,237,951
TOTAL E&G REVENUE/SOURCES	$109,749,835	$107,621,939	$112,083,259	$114,990,841	$119,623,433

Expense Trends

In addition to new revenue generation, Slippery Rock has successfully developed appropriate expense management. The University's largest expenditures fall into the class of instruction and institutional support, followed by auxiliary enterprises, operation of plant and student services. Figure 4.9 indicates the change in the University's operating expenses.

Figure 4.9 – Functional Categories

All Funds Operating Expenses	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15		
Instruction	48,723,832	47,476,208	50,425,901	51,579,550	54,096,852	35.5%	*
Institutional Support	21,280,426	22,098,275	23,275,618	23,835,590	18,610,596	15.3%	*
Auxiliary Enterprises	15,333,013	15,679,619	16,309,055	17,114,181	17,814,985	11.6%	
Operations and Maintenance of P	12,633,610	14,318,739	14,179,585	14,482,560	15,154,192	10.0%	
Student Services	12,157,358	12,747,282	12,817,676	13,253,556	14,339,847	9.2%	
Academic Support	10,977,586	10,336,957	10,170,013	10,518,281	11,867,355	7.6%	
Depreciation	6,284,413	7,178,136	7,942,120	7,223,942	7,331,204	5.1%	
Student Aid	6,819,802	6,956,622	6,255,839	6,384,909	6,230,555	4.6%	
Public Service	2,048,799	1,603,963	1,387,450	1,379,796	1,491,553	1.1%	
Research	282,305	239,584	187,880	130,703	144,348	0.1%	
Total Operating Expenses	136,541,144	138,635,385	142,951,137	145,903,068	147,081,487	100%	

*Note post-retirement and pension allocation methodology was updated in FY15, resulting in an increase to Instruction & Instructional Support from prior years.

The majority of the E&G expenses fall under the category of salary, wages and benefits. In recent years, wages, benefits and pension contribution rates have been steadily increasing and are projected to continue to do so. Figure 4.10 shows the trend for personnel, benefit and healthcare costs to the University. These rising costs required budgets to be balanced with both revenue and expense improvements. As previously indicated, revenue was enhanced by enrollment growth in new markets and program opportunities, particularly in the Winter Session, increased online programs, and increased international student enrollment. Expenses were reduced through position attrition, strategic restructuring and careful divisional operating expense analysis. These actions have led not only to balanced budgets, but to positive financial trends that have continued into fiscal year 2015/16.

Figure 4.10 – Salary, Healthcare, Retirement Trend

Bargaining Unit Average	FY 12/13	FY 13/14	FY14/15	FY 15/16
Average Salary Percent Increase	1.80%	2.70%	4.08%	1.19%
Average Healthcare Percent Increase	7.1%	3.4%	5.1%	10.7%
SERS Retirement Rate Change	50.4%	43.9%	31.8%	24.8%
PSERS Retirement Rate Change	42.9%	37.1%	26.3%	20.7%

The majority of the University's non-personnel expenses fall under services and supplies, travel, utilities, student aid, capital projects and mandatory/non-mandatory transfers. Services and supplies include such costs as professional services, office supplies, membership subscriptions, telecom, advertising, computing services and leases. These expenditures remain fairly steady, increasing at the average of the consumer price index, or 2-3%. Mandatory transfers include payments for bond-financed debt principle and interest. Non-mandatory transfers are for non-capitalized projects, equipment, or life cycle expenditures transferred to the physical plant funds for future use for projects such as campus improvements, renovations and maintenance. Transfers to the plant funds in fiscal year 2014/15 included the building renovation dedicated to a new Physician's Assistant program, the Bailey Library renovation, other classroom and lab renovations and campus concrete and roadway maintenance. A summary of Slippery Rock University's expenses for all funds, including E&G, Auxiliary and Restricted are shown below in Figure 4.11.

Figure 4.11 – E&G Expenditures & Transfers Summary

E&G EXPENDITURES & TRANSFERS	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15
Personnel Expenditures	$83,384,722	$82,742,443	$86,276,601	$89,891,505	$90,387,654
Operating Expenditures	$18,909,257	$19,300,497	$21,997,861	$21,186,872	$22,241,714
Debt Service & Plant Transfers	$7,455,856	$5,578,999	$3,808,797	$3,650,334	$6,701,385
TOTAL E&G EXPENDITURES & TRANSFERS	$109,749,835	$107,621,939	$112,083,259	$114,728,711	$119,330,753

Balance Sheet

A summary of key financial data from the audited financial statements from the University's balance sheet for fiscal years 2010/11 through 2014/15 is found in Figure 4.12.

Figure 4.12 - Balance Sheet--Summary

Balance Sheet Summary, Year Ended June 30	FY11	FY12	FY13	FY14	FY15
Total Assets	$208,416,947	$217,847,350	$214,501,024	$205,757,657	$211,411,269
Total Liabilities	$147,937,351	$155,545,852	$157,066,616	$153,972,980	$213,529,209
Total Net Assets	$60,479,596	$62,301,498	$57,434,408	$51,784,677	($2,117,940)
Inc/(Dec) in Net Assets	$4,541,285	$1,821,902	($4,867,090)	($5,649,731)	($53,902,617)

Note: Increase/(Decrease) in net assets is inclusive of postretirement in excess of pay-as-you-go, and compensated absences. In FY15, an additional unfunded liability of $57.5M was added for GASB 68, Pension Liabilities.

A more detailed version of the University's balance sheet as of June 30, 2011 through June 30, 2015 is shown in Figure 4.13. Net assets are categorized as: (1) Invested in Capital Assets, Net of Related Debt, (2) Restricted, and (3) Unrestricted. As such, net assets have specific purposes and uses. See Appendix 4.2, 4.3, and 4.4, for complete audited financials and accompanying letters of governance. The University has not received management letters since there have been no internal control concerns.

The Invested in Capital Assets, Net of Related Debt category is the cost of land, buildings, improvements, equipment, furnishings, and library books; accumulated depreciation; and any associated debt (bonds payable). The balance is not available for the University's use in ongoing operations since the underlying assets would have to be sold in order to use the balance to pay current and long-term obligations.

Restricted Net Assets represent the balances of funds received from the Commonwealth or federal grantors who have placed a restriction on the purpose for which the funds may be spent. A few examples of this type of asset include grants or loans such as the Pennsylvania Higher Education Assistance Agency (PHEAA), federal Pell Grants or other student aid earmarked for a specific purpose. Expendable net assets are available for expenditure as long as any purpose and time restriction are met.

Unrestricted Net Assets represent the one-time funds available for investment in the University (including its physical plant) and for periods of fiscal challenges. Universities designate these net assets for specific purposes, e.g., facilities projects, new programs, academic department reserves, etc. In addition, some are encumbered—legally reserved for existing contractual requirements. These funds have been established over the life of the University (since the beginning of the State System in 1983), through prudent management of resources. They are one-time in nature and cannot be relied upon to meet ongoing expenditures. All universities need to have unrestricted net assets for multiyear planning, strategic investments, and unexpected emergencies.

Unrestricted net assets represents a negative number because of three unfunded liabilities: (1) the liability for compensated absences, which is cash paid to employees at termination for annual and sick leave balances; (2) the liability for postretirement benefits for employees; and (3) in fiscal year 2014/15, the University portion liability for the SERS and PSERS pension unfunded liability. Because these liabilities are expected to be realized gradually over time and because of their size, the University and State System funds them only as they become due. Excluding those unfunded liabilities, the University E&G unrestricted net assets as calculated in accordance with Moody's methodology were $35.8M as of June 30, 2015.

Figure 4.13 – Balance Sheet--Detailed

	FY11	FY12	FY13	FY14	FY15
ASSETS					
Cash & Cash Equivilents	$ 86,558,226	$ 80,129,732	$ 79,736,458	$ 75,264,928	$ 78,557,421
Other Current Assets	$ 8,819,456	$ 10,501,248	$ 9,148,363	$ 7,747,859	$ 8,442,473
Total Current Assets	$ 95,377,682	$ 90,630,980	$ 88,884,821	$ 83,012,787	$ 86,999,894
Capital Assets, net	$ 105,903,691	$ 123,148,223	$ 121,671,321	$ 118,552,865	$ 115,599,239
Other Noncurrent Assets	$ 7,135,574	$ 4,068,147	$ 3,944,882	$ 4,192,005	$ 8,812,136
Total Non current Assets	$ 113,039,265	$ 127,216,370	$ 125,616,203	$ 122,744,870	$ 124,411,375
TOTAL ASSETS	$ 208,416,947	$ 217,847,350	$ 214,501,024	$ 205,757,657	$ 211,411,269
LIABILITIES					
Accounts Payable & Accrued Expenses	$ 15,597,037	$ 11,229,257	$ 10,634,009	$ 10,717,387	$ 11,280,492
Deferred Revenue	$ 4,100,050	$ 4,388,526	$ 4,950,150	$ 5,205,241	$ 5,426,021
Other Current Liabilities	$ 8,280,838	$ 9,550,112	$ 9,313,241	$ 5,198,500	$ 5,573,675
Total Current Liabilities	$ 27,977,925	$ 25,167,895	$ 24,897,400	$ 21,121,128	$ 22,280,188
Compensated Absences & Postretirement Benefit Obligations	$ 64,134,221	$ 69,571,227	$ 75,851,368	$ 86,080,187	$ 147,196,642
Bonds Payable	$ 39,832,230	$ 47,887,295	$ 44,829,604	$ 36,005,347	$ 32,852,016
Other noncurrent Liabilities	$ 15,992,975	$ 12,919,435	$ 11,488,244	$ 10,766,318	$ 11,200,363
Total Noncurrent Liabilities	$ 119,959,426	$ 130,377,957	$ 132,169,216	$ 132,851,852	$ 191,249,021
TOTAL LIABILITIES	$ 147,937,351	$ 155,545,852	$ 157,066,616	$ 153,972,980	$ 213,529,209
NET ASSETS	$ 60,479,596	$ 62,301,498	$ 57,434,408	$ 51,784,677	$ (2,117,940)
Invested in Capital Assets, net of Related Debt	$ 67,300,219	$ 74,504,895	$ 74,977,933	$ 74,779,741	$ 75,269,073
Restricted	$ 136,232	$ 594,199	$ 1,687,884	$ 1,834,330	$ 2,404,622
Unrestricted	$ (6,956,855)	$ (12,797,596)	$ (19,231,409)	$ (24,829,394)	$ (79,791,635)
TOTAL NET ASSETS	$ 60,479,596	$ 62,301,498	$ 57,434,408	$ 51,784,677	$ (2,117,940)
TOTAL LIABILITIES & NET ASSETS	$ 208,416,947	$ 217,847,350	$ 214,501,024	$ 205,757,657	$ 211,411,269

Figure 4.14 is the calculation of Unrestricted Net Assets exclusive of the unfunded liabilities for fiscal years ending June 30, 2013, 2014, and 2015. Unfunded liabilities include Compensated Absences, Post-Retirement and Pension Liabilities. The trend has remained steady over the last three fiscal years, with a slight decline between FY 13 and FY14. The balance sheet and unrestricted net assets are analyzed further in the Key Financial Ratio Highlights section of this chapter.

Figure 4.14– Unrestricted Net Assets

	FY13	FY14	FY15
E and G Operations	$ 34,907,987	$ 35,596,621	$ 35,899,584
Plant Operations	$ 9,544,510	$ 7,682,562	$ 8,083,751
Encumbered Orders/Contracts	$ (6,746,270)	$ (7,528,746)	$ (8,130,944)
Total Unrestricted Net Assets	**$ 37,706,227**	**$ 35,750,437**	**$ 35,852,391**
Percent of Prior Year Revenue	34.03%	31.67%	30.73%

Financial Projections

The financial projections described in this section are a result of the University's planning process as described in Chapter 6. Multi-year planning is conducted in coordination with various departments in the University to properly reflect the appropriate revenue and expense assumptions. The favorable outcome of this multi-year plan is a result of significant efforts to grow revenue and manage costs. Certain budget elements such as tuition rates and State appropriation are outside of the University's control and assumptions can only be determined based upon historical experience. Other revenue streams are planned according to key drivers that affect revenue generation.

Key enrollment drivers are used to plan the revenue budget and include recruitment strategies, retention, credit-taking patterns, total student headcount, and FTE. The enrollment model plays an important part of the process, with offices of Enrollment Services; Planning, Resource Management and Assessment; Finance, Student Success; and Financial Aid planning the appropriate drivers. The enrollment model is then incorporated into the financial model.

Key drivers for expenses include an average increase for the cost of goods, planned travel expenses, assumptions about increased cost of utilities, planned use of student aid as a marketing or retention tool and planned projects for the time period being assessed.

Figure 4.15 is a trend of Slippery Rock University's prior three years E&G statement of revenues and expenses. Fiscal Year 2015/16 is a projection and Fiscal years 2016/17 through 2019/20 are long range plan projections, based on the same key drivers as the budget. Figure 4.16 outlines the key drivers and assumptions for the projection model.

E&G Revenue projections include fairly conservative enrollment increases. Tuition and fees approved by the Board of Governors are assumed to increase at the average rate of prior years, or 3%. State appropriations are assumed to remain unchanged.

Expense projections for the future include an increase in step and/or general pay increases for all unions and non-represented groups. The State System is currently renegotiating collective bargaining agreements; therefore these increases reflect only estimates based on historical patterns. Likewise, projections for each group include increases to employer-paid healthcare and retirement.

Non-personnel expenses including supplies and utilities are assumed to increase with the cost of goods, or an average of 2 to 3%. Utilities continue to fluctuate with changes in price and usage. Currently, Slippery Rock University is in the investment grade audit (IGA) phase of an effort to reduce energy costs through the Guaranteed Energy Savings Act (GESA). The Act provides a procurement tool that seeks to set up a mutually-beneficial partnership between the University and a qualified energy services company. The IGA is an extremely thorough examination of the operating conditions and energy use of the buildings investigated and generates a proposed plan for energy savings. The concept behind the GESA is that the cost savings arising from annual energy savings will provide funding to pay the debt on financing for the construction/installation of the energy savings measures themselves. These types of projects are typically bond financed. For Slippery Rock University, the debt service and savings are projected to begin during fiscal year 2017/18; however, since the IGA process has not been finalized, the budget assumptions used in the current E&G financial projections do not reflect the possible energy savings.

Figure 4.15 – Financial Projections

($Millions) E&G REVENUE/SOURCES	Actual FY2014/15	Projection FY2015/16	Projection FY2016/17	Projection FY2017/18	Projection FY2018/19	Projection FY2019/20
Tuition	$67.7	$70.8	$75.8	$81.1	$85.5	$90.1
Fees	15.0	15.7	16.7	17.6	18.4	19.3
State Appropriation	32.6	34.8	34.8	34.8	34.8	34.8
All Other Revenue	4.2	4.2	4.2	4.2	4.3	4.3
TOTAL REVENUE/SOURCES	$119.6	$125.5	$131.4	$137.8	$143.0	$148.5
E&G EXPENDITURES & TRANSFERS						
Personnel Expenditures	$90.4	$96.5	$102.6	$106.4	$110.3	$114.5
Operating Expenditures	22.2	23.5	24.5	25.0	25.6	26.1
Debt Service & Plant Transfers	6.7	5.5	4.3	4.9	4.9	5.0
TOTAL EXP. & TRANSFERS	$119.3	$125.5	$131.4	$136.3	$140.7	$145.6
REVENUE LESS EXP. & TRANSFERS	$0.3	$0.0	$0.0	$1.5	$2.3	$2.9

Figure 4.16 – Projection Assumptions

Planning Assumptions	Actual FY15/16	Projection FY16/17	Projection FY17/18	Projection FY18/19	Projection FY19/20
Undergraduate Fall FTE	7,402	7,418	7,603	7,718	7,867
Graduate Fall FTE	637	798	885	914	922
Total Fall Semester Student FTE	8,039	8,216	8,488	8,632	8,789
Tuition & Applicable Fee Percent Increase	3.5%	3.0%	3.0%	3.0%	3.0%
Total Personnel FTE	873	903	910	917	925
Average Step and/or General Pay Increase	1.25%	1.25%	2.50%	2.50%	2.50%
Average Healthcare Percent Increase	9.7%	0.4%	7.0%	7.0%	7.0%
Average Hospitalization Percent Increase	13.8%	3.0%	7.0%	7.0%	7.0%
Average Retirement Percent Increase	24.8%	18.4%	1.4%	-3.9%	-2.5%
Non-Personnel Expenses Percent increase	3.0%	3.0%	3.0%	3.0%	3.0%

Within the E&G budget and projections, Slippery Rock University has planned for several strategic priorities and investments. Some of these investments include non-personnel investments such as a commitment to student aid for merit-based scholarships, primarily as recruitment and retention tool, program directors and new faculty for new programs, investment in the library, the website, global initiatives, classroom renovations and other physical campus enhancements. Fiscal year 2014/15 included $2.0M in Academic Enhancement investment and $1.3M investment from University reserves. These investments will continue into future projections and as new investments are identified and confirmed, assumptions will be incorporated into the long-range plan. Detailed financial projections can be found in Appendix 4.7.

These investments and strategic plans result in a balanced budget and continued success in future years. This provides for financial stability and a focus on strategic growth.

IPEDS Financial Data

IPEDS collects data on postsecondary education in the United States in seven areas: institutional characteristics, institutional prices, enrollment, student financial aid, degrees and certificates conferred, student persistence and success, and institutional human and fiscal resources, and is used to validate data for surveys and to benchmark student characteristics and outcomes against other institutions. Finance data includes institutional revenues by source, expenditures by category, and assets and liabilities. IPEDS finance data is included in Appendix 4.8; 4.9; and 4.10.

Key Financial Ratio Highlights

Annually, the State System conducts a financial analysis for each of the fourteen institutions within the State System. This assessment uses select Moody's ratios and is modeled after a typical analysis used in an external review of the financial strength of higher education institutions. Components of the assessment include market demand, operating efficiency, financial performance and management risk.

Overall, this analysis shows that Slippery Rock is financially stable and has the second lowest financial risk in the State System. Slippery Rock's position improved from third the previous year. This comprehensive measure is a tool that can be used to gauge financial stability, to identify areas of improvement, and can be used to aid the University's mission and strategic direction, while monitoring financial risk. Overall, this System assessment tool has rated Slippery Rock University as "Green" or at an "Acceptable Risk – Performance is adequate or better; required little or no monitoring". The full dashboard is included in Appendix 4.11.

Figure 4.17 contains selected Slippery Rock University key financial ratios which also are indicative of the overall financial health of the University. These ratios are commonly used to gauge financial stability in comparison to the Moody's Investor Service Aa3 medians. In the table below, the five-year average University annual operating margin (excluding post-retirement) has been lower than the System average and the Aa3 median. This percentage is lower in fiscal years 2012/13 and 2013/14 when operating margins were negative, due to continued investments in the University. Fiscal Year 2014/15 demonstrated an increase in operating margin and is reflected in the favorable results in financial analysis by the State System. During this time, the University's annual operating margin improved by .94%.

Attention should be given to the Unrestricted Financial Resources to Direct Debt and to Operations which compare Net Assets and Operating Revenues to the outstanding debt of the University. This percentage is somewhat higher than the comparisons, which enables the University to make investments that aid the University's mission, including commitments to facilities projects and academic programs.

Figure 4.17 – Key Financial Ratios

Ratio	Calculation	SRU 5 Year Average	PASSHE 5 Year Average	Median Aa3 5 Year Average
Annual Operating Margin (excluding post-retirement) (%)	Annual Revenues less Expense divided by Total Revenues	1.55%	2.74%	3.10%
Actual Debt Service to Operations (%)	% of Total Operating Expenses used for Debt Service (including capital debt and leases)	4.30%	5.06%	4.04%
Actual Debt Service Coverage (x)	Annual Revenues less expenses plus depreciation and interest expense divided by debt service	1.80	2.30	3.02
Unrestricted Financial Resources to Direct Debt (x)	Net Assets (No OPEB or pension) compared to Outstanding Debt	1.12	0.86	0.49
Unrestricted Financial Resources to Operations (x)	Operating Surplus plus Depreciation plus Capital Interest Expense divided by Total Operating Revenue	0.41	0.38	0.28

Slippery Rock University's historical financial trends have faced many challenges, but remain sound. Through mission-focused planning, strategic growth and a continued pattern of financial stability, the University will continue to overcome external environmental factors. Each fiscal year, Slippery Rock University has continued to improve and grow from prior year's experiences. The financial outlook for the University is financially viable, as evidenced by strong long range operating projections, favorable financial audits and low-risk assessment ratios.

Chapter 6: Evidence that linked institutional planning and budgeting processes are in place

Introduction

Slippery Rock University engages in comprehensive planning across the Institution, from the university level to the divisional level to the college, department and non-academic office level. Given limited resources and an abundance of good ideas emanating from planning processes, priorities are determined to inform resource allocation decisions.

While SRU has always linked funding decisions to its mission, goals and strategies, it has made important strides since the 2011 self-study to tighten the relationship between its planning and budgeting processes. It has required more sophisticated goal-related justifications for resources, and has increased the amount of performance funding for departments.

Strategic Planning

Planning occurs throughout the University on a continuing basis. Processes vary between planning units, and may change over time. Therefore, this section describes the process used in a few significant instances in recent years.

University-Wide Strategic Plan

The current plan was borne out of the assessment of the results of the former plan and the meetings to discuss the implications for change (the feedback loop). In Fall 2014, the President chaired a meeting of the several dozen members of the University Strategic Planning Committee at which assessment data were presented by the faculty and staff leaders of each strategic theme. It was apparent that huge amounts of data had been collected, and that the University was on course to achieve many of its goals, although tweaks in strategy were necessary. More important, however, was a general frustration that the Strategic Plan no longer fully reflected the world in which employees worked and students studied. Since the plan had been written, SRU had been required to work toward a new State System plan, achieve performance indicators, and deal with budgetary challenges. Divisions and sub-divisional units were adopting plans of their own which, while connected to the existing university plan, were broader and sometimes different in emphasis.

Riding this wave of sentiment, the president communicated the need for a new plan to a wider University audience in Spring 2015. She advocated a predominantly bottom-up approach, beginning with the divisional plans that had been generated through inclusive processes in Academic Affairs, the former Student Affairs, and Finance, Administration and Advancement Services. The president identified eight possible goals that encompassed the priorities of the divisions. These, as well as some suggested changes to the mission, were placed on the University website for public comment.

In Summer 2015, approximately 30 goal team leaders were recruited. An attempt was made to ensure all campus constituencies were represented where relevant. However, it was deemed important to have team leaders include people who would have responsibility for execution of the strategies. Together the team leaders formed the steering committee. Each goal leadership team recruited interested and willing employees from across the University to participate in goal team meetings. There were a total of 85 team members including leaders.

A series of workshops for the goal team leaders followed through Fall 2015. The purpose was to refine the goals, determine strategies, targets, timelines, responsibilities, and budgetary needs. At the same time, it was vital to engage other individuals in the discussion. One workshop included SRU managers; another included campus leaders from other employee groups. Finally, in order to avoid the development of silos and duplication of effort, and to promote synergies, a “speed-dating” workshop was held where every goal team met with every other team.

Early in Spring 2016, the goal team leaders presented their draft plans to a University-wide audience. For example, regarding the plan's first goal - to increase enrollment while enhancing student quality and diversity - the Associate Provost for Enrollment Management and the Associate Director for International Student Admissions described how they would enhance data-informed recruitment, marketing, communication and financial aid/scholarship approaches to targeted market segments including freshmen, transfers, graduate students, international students, and adult learners.

In addition to oral comments made at the meeting, online suggestions were made on the planning website. The result was that a ninth goal was added, and some minor changes were made to the plans for each goal. The mission and the nine goals are described fully in Chapter 3.

Ongoing broad-based participation and the bottom-up approach have ensured that the Strategic Plan is comprehensive and supported. Now the University-wide plan is being cascaded down the organization, with divisions and subdivisions such as colleges and departments and vice-provost areas ensuring that their plans tie in to the University plan. They do not have to mimic the University plan, but they do have to connect and contribute to it where appropriate.

During the series of workshops, goal teams were asked to identify resources that would be needed to implement the strategies. These proposals will be considered in the budgeting process that is occurring in the Summer of 2016. A later section explains the linkages between plans and budgets.

Facilities Planning

The University is in the early phases of updating its facility master plan, with the last master plan update having been completed in 2007. A pre-planning committee of 18 members from across the institution was commissioned by the President in early 2015 to gather opinions from campus stakeholders on facility needs and priorities. The committee met weekly during Spring 2015 to hear presentations from Cabinet members, deans, associate provosts, the SRU Foundation, the police chief, the faculty union president, and directors of key facilities such as the Smith Student Center, Athletics, Campus Recreation, and Student Services.

The committee generated a master plan vision and a list of possible priorities based on the University Strategic Plan and necessary deferred maintenance. The University then drafted a Request for Proposals (RFP) for an architectural firm to facilitate the next stages of the master plan development process. Bids are now being received.

The construction project request process was improved in 2015 to include a new governance body, the Capital Planning Steering Committee. It consists of unit leaders across the institution responsible for assessing facility requirements. It monitors ongoing projects, identifies and reviews future project requests, and makes recommendations to the Administration. A sample report of the Capital Planning Steering Committee is included in Appendix 6.1.

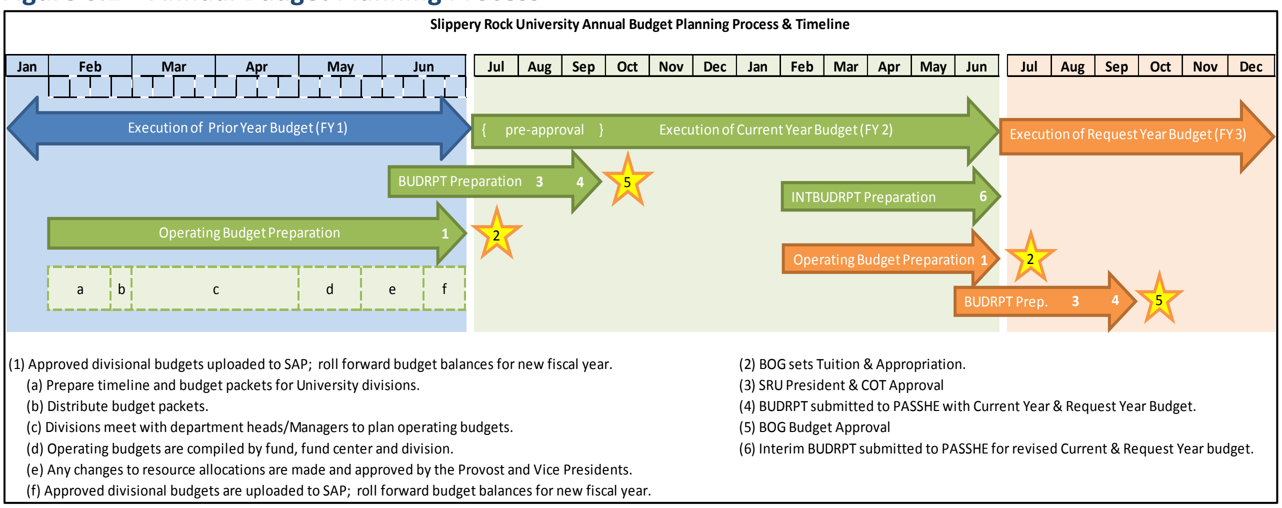
Budgeting Processes

The budgeting process is tied to strategic plans in different ways. First, in general, requests for changes in base budgets for non-personnel operating expenditures must be justified in terms of State System, University, college or department strategic plans. Requests for positions must be tied to plans and anticipated increases in net revenues or other benefits to the institution. Second, there are performance incentive payments for units which achieve targets linked to the strategic plan.
The sections below describe the budgeting process in general terms, and then shows what happens in the specific cases where strategic plans indicate a new academic program might be appropriate or an existing program might warrant new or replacement faculty, a commonplace occurrence in recent years. Finally, examples of performance funding for academic departments are outlined.

General Budgeting Process

Figure 6.1 below depicts the overall annual budget cycle. The budget cycle includes timelines required by the System office as well as internal process timelines.

Figure 6.1 – Annual Budget Planning Process



The operating budget combines known expenses and expected costs and income, and is informed by a five-year financial projection, personnel budget requests, and other departmental fund requests (known as fund center requests).

The budget process begins with a comprehensive projection that incorporates key assumptions impacting the University's revenues and expenses. It provides institutional leadership with an understanding of the anticipated net revenues (surplus or loss) projected for the upcoming budget year and one additional future year. Summary projections are also provided for at least two additional years. This information provides a foundation for modeling alternative future scenarios incorporating program and other changes over a multi-year timeframe.

Cost increases are estimated or derived from contracts, such as collective bargaining agreements. Revenue assumptions reflect likely political decisions regarding state appropriations and tuition and fees, as well as predictions of enrollments. An enrollment projection team meets regularly. It includes staff from Finance, Institutional Research, and Enrollment Management, with contributions from various academic areas such as the college deans and the Office for Global Engagement. This cross-functional team has developed a robust enrollment projection model that incorporates a series of assumptions surrounding incoming enrollment, new programs, and retention. The enrollment model is updated several times each year and serves as the basis for the institution's revenue projections and decision making. A sample of the enrollment model summary of assumptions and projections is included in Appendix 6.2.

The budget request process begins with the distribution of budget materials to the departments throughout the University. These materials include budget request forms for recurring and one-time funds. All requests for operating resources must be tied to strategic plan goals, and accompanied by a description of assessment outcomes associated with the increased funding, including the specific criteria to be used to evaluate whether the resource allocation was effective in achieving the stated goals. The results of expenditures are evaluated later to determine whether adjustments should be made to the program and whether funding should be continued. Many initiatives are funded on a one-time basis and are evaluated for several years before being funded as a recurring budget line. A sample budget packet is included in Appendix 6.3.

Budget requests for personnel, student employees, and non-personnel operating expenses are considered in the light of strategic priorities. Not all are approved at divisional level. Those with priority are consolidated within divisions and returned to the Budget and Planning department. A robust Personnel Budget Management (PBM) system facilitates multi-year projections and analysis.

The budget process culminates in a comprehensive budget report containing the two upcoming years. It is incorporated into a standardized reporting package (called the BUDRPT), and submitted to the State System. Aggregated, the budget reports from the 14 universities in the System form the basis of the System's funding request to the state legislature.

The budgeting process is transparent. In addition to leadership discussions, the University convenes a Budget Committee periodically. The Budget Committee consists of members of the Divisions of Academic and Student Affairs and Finance, Administration, and Advancement Services, and two faculty members appointed by the faculty union. Its responsibility is to review and discuss the financial standing of the Institution, necessary adjustments to budgets, and questions that University constituents may have about budget priorities or outcomes of previous expenditures. In addition, in 2013 the Finance unit began to issue monthly financial reports to the University website in an easy-to-understand format. An example of monthly reporting is included in Appendix 6.4.

Budget Process for New Programs

As described elsewhere in this report, academic departments have recently recommended or initiated many programs that address employers' workforce needs and students' educational interests. In order to determine whether a program should be forwarded to higher levels for funding, the proposal undergoes a rigorous internal and external peer review process involving a needs analysis, enrollment projections, a capacity analysis of other universities offering the program, an evaluation of academic content and the corresponding assessment plan, and a careful analysis of a five-year budget plan and budget narrative. This process ensures that budgetary decisions are linked to plans.

Few new programs are profitable immediately. Each program is expected to reach the break-even point within a five-year period. A new program unable to achieve its projected enrollment and financial targets will undergo a comprehensive review to determine how the program can be restructured to make it successful or whether it needs to be closed. If a new program is not able to cover its costs in a given year, the deficit is built into the budget, or university unrestricted net assets are used to support the program.

Unrestricted net assets also serve as the source of start-up funding for programs requiring significant personnel, equipment or learning resources prior to enrollment of students. Programs that require start-up funds are expected to repay the unrestricted net asset fund from program net revenues. Repayment of these investments by successful new programs ensures sustainable funding to support continuing program development.

New Faculty Budgeting Process

The process for new or replacement faculty hires mirrors the system process for new program proposals. The Division of Academic and Student Affairs has implemented a formal request process for new faculty hires to ensure that requests align with the strategic direction of the State System, University, colleges, and departments. Departments seeking approval also must address market demand for program completers, resources needed for faculty support (equipment, space, professional development, etc.), actual and projected enrollment trends within the department, applicable Liberal Studies trends, departmental faculty productivity data, and budget considerations. The request for new faculty will not be budgeted without a likely positive return on investment. Since the implementation of this process, departments have learned to adopt a data-focused approach toward faculty hires. A sample new faculty form is available in Appendix 6.5.

Divisional Level Performance Payments

For over a decade, departments have been rewarded for contributions to achieving institutional goals. Currently, performance funding from the Academic and Student Affairs budget is allocated to academic departments based on credit hours per full-time teaching faculty, the number of majors, the number of graduates, faculty scholarly growth, and assessment activity. This pool distributes $120,000 in funding to 30 academic departments. Departments do not have restrictions as to how the performance funds can be expended as long as they comply with University policy. Often times, the funds are used for additional professional development opportunities. Funding ranges between $550 and $250 per full-time equivalent teaching faculty. Department members appreciate this model because it gives them access to additional funds beyond their usual budget allocation in return for helping the University meet important goals.

In 2014 a student continuation incentive was developed to recognize and reward academic departments whose number of students retained exceeded their goal based upon three-year department continuation rates. Under this program departments are rewarded for their efforts in helping first-time and transfer students persist or graduate from the University. Following an assessment of the initial implementation, the incentive program was augmented to recognize through additional payouts those departments with continuation rates above the University average. The total budget for this program is $45,000. Figures 6.2 and 6.3 depict the department and continuation incentive funding awards for the School of Business.

Figure 6.2 – Department Incentive Funding

SCHOOL OF BUSINESS	Weight	Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011	Fall 2012	Fall 2013	Fall 2014	Fall 2015	Score 2015
FTE Faculty		27.00	25.50	26.25	21.50	26.75	24.25	24.50	25.50	27.25	26.25	26.75	35.00	
Overload & Dept Adj								0.50	0.50					
FTE Teaching Faculty		23.50	22.75	23.25	20.25	23.00	22.25	21.75	22.50	23.75	25.00	24.58	31.50	
FTE Teaching Faculty (inc ovld)		23.50	22.75	23.25	20.25	23.00	22.25	21.75	23.00	23.75	25.00	24.58	31.50	
Credit Hours		10,002	10,272	10,908	9,639	9,390	9,273	8,847	9,181	9,167	9,145	9,564	11,259	
Honors Credit Hours Adjustment		0	0	0	0	0	0	0	0	0				
Adj Credit Hours		10,002	10,272	10,908	9,639	9,390	9,273	8,847	9,181	9,167	9,145	9,564	11,259	
Credit Hours/FTE Teaching Faculty (inc ovld)		426	452	469	476	408	417	398	399	386	366	389	357	
Benchmark (National Study)		287	254	257	254	267	256	269	250	261	261	262	257	
Ratio to Benchmark	20	1.48	1.78	1.83	1.87	1.53	1.63	1.48	1.60	1.48	1.40	1.49	1.39	27.82
Credit Hrs per FTE Faculty-PASSHE Annualized	5	734.51	798.55	764.70	856.45	846.11	893.37	757.07	757.07	757.07	757.07	757.07	757.07	10.00
Majors (Full & Part-Time, 2nd, SEFE Adj)		888	980	1,047	1,007	959	885	815	823	847	816	925	1,021	
Majors/FTE Teaching Faculty	15	37.79	43.08	45.03	49.73	41.70	39.78	37.47	36.58	35.66	32.64	37.63	32.41	16.71
Student Diversity	0	8.7%	7.9%											
Faculty Diversity	5	19.1%	15.0%	17.4%	29.4%	29.4%	29.4%	27.3%	28.6%	28.6%	30.4%	30.4%	29.6%	10.00
Graduates (Summer, Fall, Spring)		198	186	247	260	271	238	202	207	223	240	210		
Graduates/FTE Teaching Faculty	10	8.70	8.00	12.20	11.30	12.18	10.94	8.98	8.72	8.92	9.76	6.67		10.62
(Based on previous year grads)														
Faculty Scholarly Growth	10													10.00
Program Review	10													10.00
Assessment														
Assessment Plan	5													5.00
Collection of Assessment Data	5													5.00
Data Analysis	5													5.00
Using Data for Program Improvement	10													10.00
Totals	100													120.15

Figure 6.3 – Continuation Incentive Funding

COMPARISON OF UNDERGRADUATE DEGREE-SEEKING STUDENT, SUCCESS RATES
STUDENTS EITHER GRADUATING PRIOR TO OR CONTINUING TO THE FOLLOWING FALL SEMESTER

		FALL 2014 DAY 15 TO FALL 2015 DAY 15										EXPECTED VS. ACTUAL CONTINUATION RATES						CONTINUATION RATE	IMPROVEMENT	TOTAL
COLLEGE	DEPT	2014 HEAD COUNT	GRADUATING		NOT GRAD/ CONTINUING		NOT GRAD/ NOT CONT		CONTINUED (GRAD/NOT GR)			% CHANGE F14 vs F15	3 YR AVG CONTINUED	EST 2015 CONTINUED	ACTUAL CONT 2015	DIFF	EST VS ACTUAL	$ 11,250	$ 33,750	$ 45,000
			#	%	#	%	#	%	#	%		%	%	#	#	#	#		301.34	
BU	COMM	337	75	22.3%	227	67.4%	35	10.4%	302	89.6%		0.7%	87.6%	295	302	7	7	$ 722	$ 2,109	$ 2,831
	HEMT	86	24	27.9%	55	64.0%	7	8.1%	79	91.9%		3.0%	88.9%	76	79	3	3	$ 189	$ 904	$ 1,093
	SAFE	389	103	26.5%	260	66.8%	26	6.7%	363	93.3%		-0.3%	88.9%	346	363	17	17	$ 867	$ 5,123	$ 5,990
	SBUS	831	205	24.7%	531	63.9%	95	11.4%	736	88.6%		-0.3%	87.4%	726	736	10	10	$ 1,759	$ 3,013	$ 4,772
	SPMT	174	21	12.1%	128	73.6%	25	14.4%	149	85.6%		-0.4%	87.0%	151	149	(2)	0	$ -	$ -	$ -
BU Total		1817	428	23.6%	1201	66.1%	188	10.3%	1629	89.7%		0.1%	87.7%	1594	1629	35	37	$ 3,537	$ 11,149	$ 14,686

With the recent completion of the University's new Strategic Plan, an additional incentive funding model is under development that includes performance measures that align with the University's strategic goals. New metrics have been developed to recognize, for instance, teaching using high impact practices, the broader use of student assessments of course effectiveness, and increased enrollments of under-represented minorities. Although some of the metrics are still under design, they will recognize those activities that contribute to the success of the University and its students.

Conclusion

Slippery Rock University has consistently and systematically integrated strategic planning and budgeting. As the University's strategic direction evolves and transforms, these budgeting processes will continue to be revisited and improved to ensure alignment of resources to planning priorities.

Appendix

The following pages provide appendices that are referenced in the Self-Study

Slippery Rock University – Academic & Student Affairs

Philip Way
Provost & Vice President
Academic & Student Affairs

Mary Hennessey
Assistant to the Provost

Lawrence Shao
Dean
College of Business

Communication
Hospitality, Event Management Tourism
Military Science (ROTC)
Safety Management
School of Business
Sport Management
-Ctr. For Government Contracts
-Sustainable Enterprise

Keith Dils
Dean
College of Education

Counseling & Development
--Counseling Center
Elementary Education & Early Childhood Education
Physical & Health Education
Secondary Education/Foundations of Education
Special Education

Jerry Chmielewski
Interim Dean
College of Health, Environment & Science

Biology
--Physician Assistant Program
Chemistry
Computer Science
Exercise & Rehabilitative Sciences
Geography, Geology & the Environment
Mathematics
Nursing
Parks & Recreation
Physics & Pre-Engineering
Psychology
Public Health & Social Work
--Gerontology Program
School of Physical Therapy
-McKeever Environ. Learning Ctr.
-The Robert Macoskey Ctr.
-Storm Harbor Equestrian Ctr.

Eva Tsuquiashi-Daddesio
Dean
College of Liberal Arts

Art
Criminology & Criminal Justice
Dance
English
History
Interdisciplinary Programs
Modern Languages & Cultures
Music
Philosophy
Political Science
Theater
-Asian Studies
-Gender Studies
-Language Center
-Center for Public Humanities

Assoc. Provost
Student Success

Academic Services
Multicultural Development
Residential Education
Retention Services
Student Health & Wellness
-Campus Recreation
-Health Services
-Student Conduct
-Student Intervention Services
Students with Disabilities
Veteran's Center
Women's & Pride Centers

Bradley Wilson
Interim Assoc. Provost
Transformational Experiences

Career Education & Development
Center for Student Leadership & Involvement
Center for Teaching & Learning
Cooperative Activities
-Bookstore
- Preschool/Childcare Center
Distinguished Scholarships & Fellowships
Global Engagement
Honors Program
Library
Student Government Association
Undergraduate Research

Carrie Birckbichler
Assoc. Provost
Planning Resource Mgmt. & Assessment

Academic Resources
Accreditation & Assessment
Compliance
Grants & Sponsored Research
Institutional Effectiveness
Institutional Research
Student Information Reporting
Student Services
-Dining Services
-Residence Life
-Student Center and Conference

Amanda Yale
Assoc. Provost
Enrollment Mgmt.

Academic Records & Summer School
Financial Aid
Graduate Admissions
Orientation
Undergraduate Admissions

John Ziegler
Assoc. Provost Info. & Admin. Tech Services

Enterprise Applications Technology
Information Technology Compliance
Technology Support Services
Network & Telecommunications

Michael Simmons
Chief & Director
University Police

Parking & Police Support Services

8/3/2015

Revised SRU Strategic Plan 2016

http://www.sru.edu/about/strategic-planning#suggestions

STRATEGIC PLANNING

The President's PowerPoint regarding the strategic plan is available here. You can submit suggestions for the strategic plan or view already submitted suggestions. If you would like to join a goal committee regarding the strategic plan, fill out this form.

GOALS

The following goals delineate the strategic planning focus of Slippery Rock University. As such, the administration, faculty, and staff align their objectives with these goals and use them to frame planning, budget requests, and assessment.

Goal 1

Increase enrollment while enhancing student quality and diversity.

- Tailor data-driven recruitment, marketing, communication and financial aid/scholarship approaches to market segments (freshmen, transfers, graduates, internationals, adults).

Goal 2

Offer a quality, flexible, agile, and integrated curriculum and co-curriculum to develop the intellectual, social, physical, and leadership capacities of students.

- Be responsive to the needs of employers and the interests of students.
- Ensure the curriculum has a meaningful liberal arts and sciences foundation.
- Enhance the curriculum with programs and courses reflecting global trends such as demographics; resources and sustainability; science and technology; globalization; inequality; health and wellness; and security (data, cyber, national).

- Interweave value-adding co-curricular activities with curricula.
- Offer programs at times, in places, and using modalities accessible to target audiences.
- Engage in accreditation, assessment and program review to improve programs.

Goal 3

Fuel learning with powerful pedagogies and transformational experiences.

- Increase the number of students participating in courses and non-credit activity which involves study away, undergraduate scholarship, and service learning, among other things.
- Raise the level of student engagement in learning through providing challenging courses, opportunities for peer learning, faculty-student interaction, and effective teaching practices.

Goal 4

Maintain an unwavering focus on success for all students.

- Invest in data-driven initiatives that increase retention and graduation rates for students in general, and that distinguish the needs of different classes and special populations.

Goal 5

Provide a caring campus experience, supported by quality housing, dining, recreation, health, safety and administrative services.

- Optimize student facilities and services, balancing quality and cost.
- Strive for quality interactions and a supportive environment through training.

Goal 6

Attract, retain, and develop highly qualified and diverse faculty, staff, and administrators.

- Train those involved in hiring to recruit and select desirable employees.
- Make SRU an attractive place to work.
- Develop employees to help them to be more successful in their positions.

Goal 7

Increase financial resources, enhance physical facilities, employ cost-effective technology, and adopt sustainable practices.

- Prioritize activities that lead to greater state appropriations, enrollment and hence tuition revenues, grants, and donations.
- Promote continuous improvement through efficiency, effectiveness, productivity, use of available technology, and the development of technological solutions.
- Steward our physical resources to support the mission.
- Reduce risk to the campus community.

Goal 8

Engage alumni and friends in the life of the university.

- Develop a greater appreciation for the transformative effects of an SRU education.

Increase alumni participation in the Alumni Association and campus activities.

Listing of comments on the strategic plan

http://www.sru.edu/about/strategic-planning#suggestions

Link to make comments

http://rockpride.sru.edu/forms/strategicplanning/

Link for comments or interest in serving on goal committees

http://rockpride.sru.edu/forms/goalscommittee/

Appendix 2.1

Response to Recommendations made by SRU campus stakeholders

The resulting 39 campus recommendations and observations are grouped in six categories that reflect the 2011 self-study chapters:

1. The University Context
2. Strategic Planning, Budgeting, and Evidence-Based Decision Making
3. Assessment
4. Academic Quality
5. Student Support and Educational Activities
6. Leadership and Integrity

1.1	***Because our identity as such had been firmly established, and planning and resource allocation are clearly guided by that identification, our status and aspirations as a premier public residential university should be consciously articulated within either the mission or the vision statement for the University****. (1.1)* Our vision is to excel as a caring community of lifelong learners connecting with the world. President Norton has placed great emphasis on all three dimensions of our vision - being a caring community, lifelong learning, and connections with the world. As a result, our academic departments have been identifying what lifelong learning means in the context of graduates in their disciplines, and what the implications are for our curricular offerings. SRU wants to be there for students through the course of their lives. Programs have also been examining the world (especially Western Pennsylvania) into which our graduates move, and ascertaining whether trends, including those identified in the strategic plan, warrant adjustments to the curriculum. In addition, departments are offering increasing numbers of high-impact experiences that prepare students for their lives after graduation. The internal brand truly matches the external brand summarized in our service mark "Experience the Difference." Historically, SRU was known for being a premier residential undergraduate institution, and that was still essentially true in 2011. Although we have no intention of reducing our commitment to quality undergraduate programs and a caring residential environment, we have expanded our identity to include engagement with graduate programs, online learning, and non-campus based locations such as the Regional Learning Alliance education center. With a renewed focus on lifelong learning, we expect that the composition of our student body will shift somewhat to graduate students engaged in degree programs, letters of completion and non-credit courses. As such, the university is undergoing a renewal of vision, mission, and strategic goals. The essence of the former statements can be seen in the new, but the changing emphasis on global engagement and student access and success is evident in new ways. The new statements were designed and vetted through the Strategic Plan Committee, the president's cabinet, all staff, and faculty.
1.2	***Student residential patterns are observable, and it is no wild guess to assert that, during the***

	fall and spring terms, a significant majority of the University's students reside either on-campus or in privately-owned student residence halls and apartment complexes in the surrounding borough and township. However, student residences are currently classified as either "on campus" or "commuter," thus depriving the University of precise and useful information about the number of students who actually reside at the University. The University, in working towards maintaining and enhancing its status as a premier public residential University, should classify students as living either on-campus or within a specific radius of campus, such a five-miles, ten-miles and beyond. (1.2) During the 2011 MSCHE Self-Study process the institution was focused on demonstrating that students considered to be residential were not only those living in dorms on SRU property but also those who were living in the 16057 zip code. Many SRU students list home addresses to maintain commuter status to comply with parking permit regulations. A project to discover the number of beds available to students in the community surrounding the institution was completed in 2013 and the data substantiated the claim that the majority of SRU students live within Slippery Rock Borough and Township. While this data is useful, the focus of the institution has evolved and SRU no longer emphasizes the niche of being a premier residential institution and is instead focused on engagement with graduate programs, online learning, and non-campus based locations such as the Regional Learning Alliance education center. The University works with local landlords and meets semesterly to share information and identify issues facing students who are living on-campus and in quasi-campus housing.
1.3	***In the past five years the cost of tuition, room, board, fees and books has risen by 50%, with most of that cost attributable to the increase in charges for residing in one of the new residence halls. Yearly tuition has gone up by only a little more than $898, or slightly above 18%, from 2005-06 to 2010-2011 (table 1.11). Scholarship awards are not keeping pace with the current charges for living on campus. The University must continue to aggressively seek contributions for merit and need-based scholarships, to allow for an increase in both the number and the size of the awards, and to maintain access among all citizens within the Commonwealth. (1.3)*** The University received an increase from the Foundation for SRU Merit, Honors, and President's Scholarships for the 2015-16 academic year, which has been used to increase the amount of each scholarship as well as fund additional recipients. Prior to this year (2015-16) scholarship amounts for each type had been static since 2012, but increases in merit award amounts have been requested for 2016. In addition, the University was approved by the state system to use $500,000 in out-of-state tuition revenues for non-need-based awards primarily focused on out-of-state students, underrepresented minority students, and community college transfer students. In 2015, SRU contracted with Noel Levitz to identify distribution models for scholarship and other aid so that money is directed most effectively at the desired student profile. We were able to identify four scenarios that would allow us to envision how to distribute scholarship money to reach various University goals. Based on historic data and projecting four years in the future, the models allow us to target our awards to help address need, reward merit, support student success, and positively affect our enrollment outcomes. It has allowed the University to use scholarship money strategically and better determine the resources needed to achieve our institutional enrollment goals. For example, we are developing a model, which makes more

	scholarships renewable for four years and assesses the effect this strategy would have on key metrics such as student quality, retention, and graduation rates. Our goal remains to attract new scholarship funds while also using allocated funds wisely. This approach has resulted in enrollment growth and increased retention and graduation rates at a time of regional demographic decline.
1.4	***Both fact-finding and program planning to increase cultural awareness and to encourage diversity should continue to be coordinated by the Presidential Task Force for Cultural Awareness and by the Senior Officer for Diversity and Inclusion. These entities should continue to work for greater collaboration between faculty members and student life staff, particularly by fostering increased faculty participation in the living-learning communities, in jointly organized extra-curricular learning activities, and in community service learning programs. (1.4)*** The six presidential commissions continue to address the ongoing issues affecting the University community, and link to the University's vision of creating a community that is open, caring, nurturing, personal, fair, engaging, and respectful. Two commissions were added since 2011: Wellness and Sustainability. These commissions bring together faculty, students and staff to consider the campus culture that affects both the curricular and extra-curricular activities and relationships of the campus. The Senior Officer for Diversity and Inclusion resigned in 2014 to take another position. Rather than fill the position, the academic leadership chose to decentralize the responsibility for achieving diversity goals on campus to promote more institution-wide ownership of resulting outcomes. Commissions continue to take an active role as evidenced by the annual reports, and collaborate on activities both among the commissions and with campus departments. To further promote integration of faculty and staff toward the student success goal, the separate divisions of Academic Affairs and Student Affairs were brought together into one Division of Academic and Student Affairs reporting to the Office of the Provost. Significant efforts were made to promote true integration rather than simply a combined organizational chart. Like entities, such as the Women's Center and the academic Department of Gender Studies, were moved together both physically and operationally to conserve resources and monopolize on strengths and planning. The Provost redesigned the divisional strategic plan to reflect the new integration, and charged the strategic plan working groups to adjust their goals and strategies to address the needs and assets of the entire division. Thus, student success is seen as a result of both the curricular and co-curricular efforts of the University.
1.5	***The rapid growth in distance education offerings to accommodate the educational needs of non-traditional, non-residential students and of students away from campus during term breaks necessitates the implementation of thorough, carefully planned assessments of those offerings in regards to student learning and satisfaction. (1.5)*** Slippery Rock University takes a very strong position on assessment as it applies to student learning and satisfaction. As course offerings have grown to 119 this past winter and online graduate programs have grown to 22 plus an undergraduate degree completion program, assessment has been key in development and continued growth. Currently, the online evaluation of instruction follows the same pattern as the traditional course evaluation process.

	Administered through Campus labs, the assessment asks questions regarding objectives of the class, content, assessment strategies, and technical support/issues. Additional open-ended topics include responsibilities of the student and the strengths/weaknesses of the course. The just-completed winter session (14/15) averaged a 41% response rate. Information is tabulated and distributed to the appropriate college in the same fashion as the traditional course evaluation process. Other assessments are done based on the feedback from Help Desk calls in order to provide more process assessment through the Center for Excellence in Teaching and Educational Technology and Information and Academic Technology Services. This has typically led to changes in processes relating to after-hours issues and information provided prior to the beginning of the course. These activities have reduced the number of calls from students. Additional findings from this past winter session (14/15) indicate the need for more self-service options for students such as resetting their own passwords, which has helped the administration address security concerns balanced with system ease-of-use.
2.6	***Creating an inclusive and interactive planning process has succeeded in making various campus constituencies more aware of the strategic decisions emerging from that process. The extraordinary effort administration made during the 2009-10 academic year to share budget challenges with the campus community and to solicit ideas has probably dampened anxieties and prevented rampant rumor-mongering. That said, communication to campus constituencies and other stakeholders concerning how the university makes budgetary decisions and allocates resources could become more targeted and strategic. Self-study sub-committees, when talking or corresponding with faculty and staff, encountered some questioning of the efficacy of various initiatives undertaken by the University. Those same faculty and staff may benefit from periodic summations of intent, progress, and strategic shifts regarding those initiatives. In addition, while the concept of "productivity" is often carefully delineated through assessments on the office and department level, its role determining allocations could be made clearer. An assessment of the level of readership and retention of information, that campus constituencies derive from the current RockPride weekly on-line newsletter and the daily "Good News" e-mailings, may yield further suggestions as to what those constituents read and retain and what they might be more likely to read and retain. (2.6)*** The university has taken strong steps toward continuing to improve the transparency and clarity of the University's finances and provide stakeholders with enhanced financial information. For example, Finance has established more robust recurring financial reporting and publishes these on a regular basis. In addition, fiscal 2013/14 demonstrated SRU's commitment to work together in a spirit of shared governance to discuss the budget including all-employee addresses and communications, a budget website for suggestions, multiple meetings with union leadership, and meetings with students, community members and stakeholders. The president gives twice-yearly University-wide addresses to the campus about new program development, campus improvements, and a budget update, followed by an open question and answer period. The provost gives similar information in faculty-focused sessions twice a year, and has open brown bag lunch opportunities for further feedback. The budget is also discussed at Council of Trustees meetings and monthly Meet and Discuss meetings with the faculty union. The faculty union also requested an accessible internal website with budget information and regular meetings with the Provost and Vice President of Finance, Administration, and Advancement,

	both of which were implemented in 2013. Budget information and background related to the budget format is available on the university's public website. As assessment has become an integral part of University processes, linking assessment results to budget has been an expectation. Initiatives are undertaken after consideration of the connection to strategic objectives, which ensures resources are linked to the university's plan. Outcomes of initiatives are measured to evaluate their effectiveness. The provost, for example, has required departments requesting allocations to link the requests to budget and assessment outcomes, which has reinforced the role of assessment and established that the budget is funneled throughout the organization (See Appendix 2.2 for sample form DUPLICATE).

2.7 and 2.8	***The Pennsylvania State System of Higher Education, in conjunction with the 14 individual universities, needs to engage in intensive discussions with the legislature and the governor's office regarding the need for dedicated funding of the university's operating budgets. Rather than relying on a general annual allocation, it may be best to identify those budgets as a constant need, like capital expenditures or deferred maintenance. The uncertainty regarding levels of funding that currently characterizes budget planning makes both short-term and long-term strategic planning challenging. (2.7)*** ***Both leaders in government and the voters who place them in office need an increased awareness of the positive economic impact created by direct investment in public higher education. A recent report prepared by Economic Modeling Specialists Inc., an Idaho-based research company, demonstrated that Slippery Rock University generated $18.60 of economic benefits for every one dollar of state and local taxes invested. The increased economic activity generated by the university lowers social costs, increases tax revenues, and consequently eases individual tax burdens. The report concluded that the university contributed approximately annually $334.4 million to the regional economy- the equivalent of 9.020 average-wage jobs. (2.8)*** Observations from the self-study about the relationship among the Commonwealth, the university system, and the University are challenging to address since the University has limited influence over matters in the legislature. The system Office of the Chancellor provides support for workforce initiatives, communications, governmental relations, and system-wide program alignment to assist with campus initiatives. The State System provides information on the University's financial needs to the governor's office and the legislature and participates in legislative hearings to convey the importance of the financial challenges. In addition, the system has modified its Performance Indicator plan, so that additional monetary allocations are tied directly to reaching improvement targets, such as for student retention, and indices established by both the Office of the Chancellor and individual campuses. This funding source is not tied to the Commonwealth allocation and gives each University in the system a focused method of earning additional funding. Slippery Rock has been the top performer in the system for two years and has earned $3,932,270 in addition to the positive campus outcomes attained through strong academic and administrative practices. (See Appendix 2.3 for an analysis of the PI program)
3.9	***While annual assessment processes should make the required PASSHE five-year program review easier for each department to execute, it may only occur to faculty that is the case at the moment when the self-study is under way. During the interim, some faculty may still see the carrying out of assessments as additional work, taking place in a period when shrinking budgets and state allocations appear to necessitate increased enrollments and larger class sizes. A better process could be implemented through PASSHE by requiring the inclusion of ongoing assessment processes and results into five-year program reviews and perhaps reducing the amount of other required elements within the department's self-study.*** Assessment of student learning outcomes is an ongoing process led by a committee of faculty and supported by the Center for Excellence in Teaching and Technology and the Assessment Office. Departments utilize TracDat to measure and report the progress of students in achieving

	learning goals. Each program is required to submit an annual assessment report that is reviewed by the Deans, the Assessment Committee, and the Assessment Committee Chair. Feedback is provided through a comprehensive rubric to ensure that assessment at SRU is focused on strategy and quality for the continued success of students. The aggregate assessment data is compiled and analyzed by the Assessment Committee Chairperson and an annual report is submitted to the Office of the Provost. The data from the assessment reports are used to improve student learning, drive resources allocation, and influence academic programming. This annual reporting structure provides structure for departments preparing for the system's five-year review process. The state system office is revising the five-year review model and is piloting a version at three of the fourteen system universities. Slippery Rock is not one of the pilot institutions. Once the new model is finalized, the Office of Assessment will evaluate it and implement any opportunities to streamline current processes.
3.10	***Given a planned "re-thinking" of current annual assessment events on campus, such as the annual poster presentation of student learning outcomes, Slippery Rock University should consider shifting the focus of workshops and recognition activities towards learning assessment as scholarship and service, demonstrating with plenteous examples how that may work in specific disciplines. Evidence of assessment activity contributing to faculty members receiving tenure and promotions would obviously have a positive impact as well. (3.10***) Faculty oversee inclusion of pedagogy as an area of scholarship in the tenure and promotion processes, and the tide is slowly changing to recognize this area as important research. In the 2014-15 academic year, a series of workshops in high impact teaching practices were held at the request of the faculty union and the Office of the Provost. The annual Faculty Professional Development Day in October 2014 focused on teaching and collaborative learning spaces, and had 139 attendees. Such campus-wide focus on pedagogy emphasizes its critical role in student success. The Center for Teaching and Learning (CTL) awards up to $3000 per semester to faculty members interested in the scholarship of teaching and learning. As a part of the CTLs Academic Innovations Mini-Grant, the faculty members awarded the grant are sponsored by the CTL to attend a conference on innovations in teaching and learning. When they return, they are expected to implement what they have learned and then share their experiences with their colleagues in a formal presentation/discussion. Additional funding is made available if the faculty member conducts an action research project and publishes their findings. In 2015 the CTL awarded two grants; members of the Political Science Department attended the American Political Science Association Teaching and Learning Conference and a Secondary Education faculty member attended three online courses on digital citizenship. They will present what they learned in the Fall 2015 semester. The campus-wide Faculty Learning Community (FLC) organizes and offers professional development opportunities in the form of faculty presentations and hands-on workshops, formal and informal, including teaching conversations, teaching circles, and teaching partners. FLC also makes support materials, like a video archive of past faculty teaching presentations, available. These opportunities focus on pedagogy and sharing among faculty. Informal

	discussions and groups are also active in most departments, with faculty sharing innovations specific to their department with their colleagues. Opportunities for sharing and learning about pedagogy are growing on campus, and the Provost's requirement that budget requests be linked to assessment outcomes has encouraged departments that are interested in new facilities to tie their requests to assessment and pedagogy.
3.11	***The results of the National Survey of Student Engagement (NSSE) will soon become an optional Pennsylvania State System of Higher Education performance indicator. Some attempts have been made to share those results with department faculty members conducting assessments of specific academic programs. However, this sharing can be of assistance only when the number of respondents makes up a statistically significant proportion of students in the program. Including the NSSE results as a performance indicator is a step forward in linking the performance funding to actual student learning, and may encourage adjustments in the definition of faculty "productivity." However, as noted earlier, the NSSE results are at best an indirect measure of student learning. The PASSHE should consider the development of formulae for rewarding institutions for carrying on learning assessment that has disciplinary validity and might examine the actual recent activities of its member universities like Slippery Rock when doing so. (3.11)*** The Office of the Chancellor of Pennsylvania's State System of Higher Education is currently in the process of revising the performance measures for the 2015-16 year. It is anticipated there will be significant changes to the performance measures allowing for alignment of the measures with the System's Strategic Plan, the University's Strategic Plan and the University's Action Plan. One important performance indicator group addresses student success, including persistence, degree attainment, and student engagement. Certainly, improvement based on learning assessment affects institutional success in persistence and graduation. More specific focus on learning assessment in the performance indicator formula is at the discretion of the system.
3.12	***While the Liberal Studies Program Committee must oversee the approval, deletion, and improvement of courses within the Liberal Studies program, it does not have the resources to carry out relevant forms of institutional assessment, such as determining whether issues of advisement, staffing levels, or student views of the program are delaying graduation. Currently, the Academic Records office supplies academic advisors with information about which advisees have not yet completed Basic Requirement courses. A monitoring of waiver requests for Liberal Studies courses by students seeking to graduate may reveal other factors that may be contributing to the failure to complete all of the Liberal Studies requirements. (3.12)*** Administrative changes to the Liberal Studies Program have streamlined the process of tracking course offerings and requirements. Liberal Studies planning and enrollments were previously handled through the office of Enrollment Services. This responsibility shifted to the Dean of the College of Liberal Arts. To ensure that Liberal Studies course offerings are meeting student needs, the Director of Reporting and Decision Support Services provides a quantitative analysis of students needing a specific content area within Liberal Studies. Simultaneously, the Director of Advisement Systems and Degree Audits provides a comparative analysis of the number of current Liberal Studies course offerings/sections/maximum seats with those of the previous

	academic year. The Dean considers these reports in relation to projected freshmen and transfer enrollment figures while reviewing department schedules to verify that the number of offered seats meets student needs. Department chairs also monitor enrollments throughout the registration period, and convert low enrolled courses to needed Liberal Studies courses.
3.13	***Many related educational activities, such as programs and classes conducted by the Office of Lifelong Learning and the McKeever Environmental Learning Center currently lack a framework and guidelines for assessment. Developing an assessment program for related educational activities would document their quality and maximize the development of learning outcomes. In addition, those activities could be more clearly integrated into the University's strategic plan, and aligned with its mission and vision. (3.13)*** New centers and related educational entities must complete a comprehensive proposal that includes an assessment plan. The Center for Public Humanities, for example, has been in development over the past two years. Before approval, the planners submitted a strategic plan and budget projections (See Appendix 2.4) that will be addressed in yearly progress reports. In addition, the University assessment plan has been broadened to more effectively include non-academic and related educational activities. Units set goals related to the strategic plan, assess against benchmarks, and develop improvements based on results.
3.14	***A central repository of information on assessment would allow offices to identify trends and would equalize the levels of assessment of learning outcomes. Currently, academic programs assessment is available on-line in the form of the Degree Coherence Matrices; a similar on-line presence might help assessment activities among non-academic entities. The Institutional Assessment Task Force could coordinate and pull together the assessment activities of the academic departments, student life, and other services, particularly as they relate to learning outcomes. (3.14)*** The campus began using the digital assessment repository TracDat in 2012. The Degree Coherence Matrices were redesigned to match the TracDat layout and to link outcomes to strategic initiatives and goals. Users are able to view reports of other units, although only the report owner and assessment administrator have access to make changes. Non-academic units also use TracDat to report assessment results. Reports are linked through to divisional and University plans, which demonstrates connections and commonalities across campus. Assessment progress is presented to the Strategic Planning Committee annually. Non-academic student service departments also have an annual workshop focused on sharing assessment practices and outcomes. Additional information can be found in Chapter 5.
3.15	***Such collaboration would also be useful in addressing the gap, noted earlier, between global assessments like the NSSE and department-level assessments. Departments and offices need to discuss the implications of each level of assessment and how they might best inform actions taken to improve programs and other functions .(3.15)*** The University implements several campus-wide surveys, including MapWorks, NSSE, and Noel Levitz. Outcomes are shared on the Institutional Research webpage, and are used to better understand student views and establish benchmarks for further evaluation. The Assessment Core Committee and the Institutional Effectiveness Committee promote the use of both direct

	and indirect assessments in campus plans. For example, MapWorks is used by the student success offices to understand challenges faced by new students and to develop interventions to address those challenges. If the survey results indicate that students are having difficulty with the social aspects of campus life, instructors in the Fyrst Seminar courses (for first-year students) can add assignments requiring students to investigate various student organizations and social events. If students are being challenged academically, instructors can add assignments designed to introduce them to tutoring services.
4.16	***Slippery Rock University has a remarkably stable faculty, one that is deeply committed to the success of the institution. Clearly, no component is more essential to the success of a university's academic offerings than its faculty. Thus, the university needs to closely examine the processes involved in faculty recruitment and development and the results manifest in its hiring and retention of faculty. Such results should be compared with similar information from peer institutions and not just the results from universities in the Pennsylvania State System of Higher Education. Why do potential faculty members apply for and then accept positions at Slippery Rock University? What traits and abilities are characteristic of those applicants? What more can be done to attract the best candidates and to keep them at the University once hired? (4.16)*** Recruiting and developing a dedicated and professional faculty continues to be a priority at SRU. For example, in 2015 Provost Philip Way included "*Attract, retain, and develop highly qualified and diverse faculty, staff, and administrators,"* as one of ten proposed goals of the revised University Strategic Plan. In 2013 similar language was added to divisional strategic plans. Interviews with faculty candidates have provided some insight into why applicants are attracted to a teaching position at SRU. In discussion with deans during the interview process, candidates said they liked the emphasis placed on teaching, the collegiality among departments and faculty, salaries offered under the collective bargaining agreement (CBA), the rural location, and the opportunity to complete research with undergraduates.
4.17	***The number of faculty members promoted in rank each year has remained consistent over the past five years with a range of 12 to 16 each year. Applications for promotion have decreased. Is this decrease reflective of the university's changing sense of itself, resulting in a more competitive milieu for promotion applicants? Is there a greater demand for scholarly output, which some faculty fear may result in many of their colleagues who are strong teachers and engaged in extensive service not being promoted? The university has sought, through detailed guidelines for promotion in rank revised in spring of 2008, to make the process as transparent and accessible as possible. A next step may be to survey the faculty to see if perceptions of unfairness and of a shift in criteria are extensive, which could be addressed in a useful manner. Given the generally accepted value of scholarship as an aid to teaching and curricular renewal, the university should also explore more ways to assist faculty members in their scholarly growth. One suggested approach is to weight travel funding so a greater proportion goes to faculty members at lower academic ranks who are actively seeking promotion. (4.17)*** The observations and questions listed above have been fairly consistent over the years as faculty members from a large variety of disciplines navigate the promotion process. The guidelines for applying for promotion have typically been revised every few years. The current guidelines were revised in 2011. These revisions helped to clarify expectations about scholarship and make the application process more transparent. In 2014 faculty and staff

	worked to convert the cumbersome hard-copy application process to a digital format. The digital format offers several enhancements, including an increased level of transparency, and hopefully the prevention of misplaced student evaluations or other required documents that could derail a faculty member's application. The most recent review of the promotion procedures began at the beginning of the Fall 2015 semester and is ongoing. The review committee, comprised of both faculty and administrators, surveyed faculty members about the promotion process and will use the results to propose new guidelines. Two areas of concern were identified as the committee began its work. The first involved determining the course of action when a faculty member submits an incomplete promotion application. The second concern was determining the appropriate weight of the areas of scholarship, teaching, and service, when promotion decisions are made.
4.18	***One feature of the recently revised guidelines for applying for promotion in rank is a detailed description of what constitutes effective teaching. Providing that same detailed description in the guidelines for applying for tenure would emphasize the importance of teaching in obtaining long-term employment at the university and would help guide probationary faculty in adjusting their teaching to the benefit of their students. (4.18)*** The tenure process has been perceived by faculty members as more straightforward than promotion, and applications for tenure follow a five-year probationary period during which the faculty member participates in rigorous performance review. During each year of this period, probationary faculty must provide five classroom observations by department peers and provide student surveys of course effectiveness. These evaluations offer many opportunities for mentoring and for faculty members to fully understand the tenure requirements. Efforts also began in 2014 to digitize the tenure application process, which should provide similar benefits.
4.19	***Strained budgets due to stagnant or decreased state allocations appear to be a feature of the university's existence for the foreseeable future. Faculty members may become increasingly reliant on obtaining external grants in order to sustain certain programs or important features of programs. The Office of Grants and Sponsored Research could build on its modest success so far by enlisting faculty and staff in the same or related disciplines. (4.19)*** Several initiatives have been established to encourage faculty and staff to pursue external grants. The Office of Grants, Research and Sponsored Programs offered a series of six grant-writing workshops during the 2013-2014 academic year, and provided additional workshops in 2014 -2015. Faculty members can register with the office's grant database. By doing so, they receive automatic notice when a grant related to their interest area becomes available. The *Proposal Development Travel Fund* can provide faculty and staff with up to $500 to meet with a sponsor's program officer or attend an external grant-writing workshop. The Provost also implemented a *Faculty Incentive for Grant Writing Program* to provide a two-week summer or winter break contract to write a large grant proposal. A Grant Writers' Recognition Luncheon is held each October and is open to the campus community.
4.20	***The student learning assessment process now in place for Liberal Studies courses should contribute to improvements in course content and teaching for years to come. The Liberal Studies Program Committee should also consider the potential value of such assessments, including the information found in Liberal Studies Assessment Results Matrix and in the***

	Degree coherence Matrices, for increasing awareness of the value of the Liberal Studies program among undergraduates and alumni. (4.20) Increasing student awareness of the value of a broad based general education has long been a challenge nationally, as such programs compete with more narrowly focused major curriculum. The Liberal Studies Program Committee began reviewing SRU's general education program in 2013, and two of the seven goals of the review process related directly to this issue: ● To create a clear link (one that is understandable to students and faculty) between LS courses and LS goals and objectives ● To clarify for students the relevance of the LS program The review process included three planning retreats for the Liberal Studies Program Committee, held in 2013, 2014, and 2015. Subcommittees were also created representing a diverse group of faculty members. This work is ongoing.
4.21	***Distance Learning has already been tried and accepted as one way to revive graduate programs threatened by decreased funding and a need for larger class sizes. Other potential models for experimentation are the use of cohorts in which simultaneously accepted students move through required course work as a group, and the development of programs with tiered emphases, in which students pursue tracked professional concentrations while enrolling mostly in the same core courses. (4.21)*** SRU has experimented with cohorts as a way to increase retention in graduate programs. Tried throughout campus, the cohort process met with success in some areas, but not all. Currently, programs of this nature are located in the School of Business and the School of Education. Other examples of experimentation include *credential stacking* and *letters of completion*. These activities meet the needs of both the student and the potential employer and have been successful in some universities in increasing the retention rate.
4.22	***The position of Slippery Rock University's graduate programs could be strengthened by more emphasis on student learning assessment. More clearly integrating a program's learning goals/outcomes with the university-wide learning outcomes might demonstrate just how the program fits into Slippery Rock's overall mission and vision. More extensive assessments of graduate programs would also provide evidence of their effectiveness that could be shared with potential applicants and the general public. One constituency that may need more evidence of effectiveness and the positive impact of the university on the state's social, civic, and economic well-being are the elected officials in Harrisburg- legislators and the governor.*** The University expects the graduate program faculty to assess student learning annually. Graduate-level assessment is completed less consistently than undergraduate assessment, although there are several graduate programs that have developed strong cycles of assessment and have presented changes made from assessment data. During the 2014-2015 assessment cycle over 70% of existing programs were participating in assessment reporting. In an effort to increase participation at the graduate level, the chairperson the Assessment Committee and a staff member from the Office of Planning, Resource Management, and Assessment have been working with faculty (those developing new programs and those responsible for collecting assessment data for existing programs) to support learning outcome review as well as planning and process improvement. It is important to note that 7 graduate and 33 undergraduate programs have programmatic accreditation or state-level recognition.

4.23	***Faculty members with current teaching loads need assistance in academic research: the task of collecting data, conducting interviews, administering surveys, or coordinating focus groups. Such assistance could possibly be obtained by hiring student research assistants, who would also benefit academically from the job responsibilities. (4.23)*** Faculty members and participating students have for many years benefitted from the work-study program to complete research tasks. The Provost's Office sponsors the annual Faculty/Student Research Grant Program to fund research projects of up to $5,000. Students participating in these projects must work in partnership with the faculty members, not merely for or under the faculty. In addition, there are opportunities for funding undergraduate research through the SRU Center for Student Research. Two grant programs, *Student Scholarly, Creative, Entrepreneurial, Civic or Research Projects* and the *Summer Undergraduate Research Experience (SURE)*, provide students up to $500 in funds to support independent research or a scholarly project to be conducted in collaboration with a faculty or staff mentor. In addition, the Office of Undergraduate Research in Science, Technology, Engineering, and Mathematics (STEM) was created in the Fall of 2012 as an outcome of a PASSHE grant from the Council on Undergraduate Research (CUR). This led to SRU hosting the Inaugural Pennsylvania State System of Higher Education (PASSHE) Conference for Undergraduate Research in STEM in November of 2013 and the 2nd Annual PASSHE Conference for Undergraduate Research in STEM in November of 2014.
4.24	***The Bailey Library facility, dedicated in 1972, is no longer adequate to the demands placed on the contemporary university library. While there is enough room for the half-million volume of books and periodicals, the building systems, data infrastructure, and public spaces fall short of 21st century standards. Because the library currently houses various academic support services, its renovation is dependent on completion of other projects, particularly the new Student Center in February 2012 and the subsequent renovation of the old University Union into the Student Success Center, scheduled completion in 2014. Cost of the Bailey Library renovation is projected at $39 million. Given the importance of an adequate library to the University's academic mission, funding of this project should be considered a high priority and needs to be secured as quickly as possible. (4.24)*** Renovation of the Bailey Library facility has been a high priority, although funds for the proposed $39 million renovation did not materialize. SRU has invested in upgrades to the building systems, data infrastructure, and public spaces. The first floor has been renovated to better serve the needs of students. The Technology Learning Center (TLC) was opened in 2011 and is staffed with student specialists from the Communications, Information Technology, and the Department of Computing. The TLC has specialized equipment and software and the TLC student specialists can assist students with technology such as video editing, webpage development, photo editing, and designing resumes and digital portfolios. On the second floor, renovations include a new Math Emporium and Math Assistance Center that provide a state-of-the-art teaching space and tutoring area for students in math classes. The Instructional Materials Center (IMC) will soon be undergoing renovations to add 6-8 new computer stations and a new SmartBoard. On the third floor the University Archives is being enlarged, and a new Special Collections Room is being added. This work is projected to be completed by the end of

	summer 2015. Other plans include renovation of the first floor entrance, circulation area, and resource-sharing services, and the office of the Center for Teaching and Learning will be expanded. This work is expected to be completed by the fall semester of 2016.
5.25	***Transfer student participation in orientation programs are below 50% and needs to be encouraged and increased in order to maximize those students' chances of academic success. This is a problem that is not endemic to Slippery Rock University, but the offices of Admissions and Retention could research programs employed by other higher education institutions that have met some success in increasing transfer student participation. (5.25)*** Many universities with high transfer student orientation attendance include course registration with this event, which ensures such participation. SRU's orientation program is not mandatory because new transfer students get advised and registered through their academic departments early in the process. Without combining registration with orientation, SRU will probably not see high transfer orientation attendance. Transfer students are informed of the importance of attending orientation events at several points during the enrollment process, however, this population traditionally matriculates with multiple university credentials, and many have been to similar sessions at other institutions. In 2013 SRU implemented an online Transfer Orientation "course" in D2L to supplement (not replace) scheduled events. This online tool provides student service descriptions with corresponding web links, PDFs of resources, and "how-to" videos for critical functional areas such as financial aid. New transfer students also enjoy the privilege of class registration consecutively with SRU's native students, which is an important recruitment tool.
5.26	***The transfer student population is more diverse when it comes to age, academic schedules, and challenges to successful degree completion, compared to the normal population of incoming first-time, first-year students. This diversity makes it difficult to gather, analyze, and report retention data. The Office of Student Retention might consider identifying a cohort of 150 to 200 transfer students admitted in the same semester to track as the students' progress towards their degrees*. (5.26)** Transfer retention is tracked similarly to freshmen retention, with cohorts based upon all entering transfers in a given fall semester. The University does not make adjustments to cohorts for exclusions (students that leave for military, religious reasons, Peace Corps or are deceased) in keeping with reporting expectations of the national Consortium for Student Retention Data Exchange.
5.27	***The Financial Aid office might reduce inquiries and increase levels of satisfaction by creating an electronic portal that would allow students, and prospective students, to access the status of scholarship applications.*** SRU is currently moving to Hobsons as a provider for information to incoming students. Once this move is finalized the Financial Aid Office will be able to create a function for the incoming students to check the status of their scholarship applications. Currently enrolled students can now view their outstanding issues, including forms and applications, in the self-service portal. The volume of inquiries received by this office is manageable with the current system, however, office staff will work toward this goal once the relationship is finalized with Hobsons.
5.28	***In early assessments, the most common weakness in the delivery of services identified by student services staff are overcrowded facilities and a lack of needed staff. In a cultural***

climate survey of staff conducted in 2005, more than 60% of surveyed staff cited low staffing levels as a source of stress, and nearly the same percentage and felt their workload was too heavy. While completion of the new student center in 2012 should ease the crowding and perhaps some of the sense of being overburdened, current and persistent budget constraints will continue to limit staff members. Administration needs to use annual assessments to continue to evaluate where the sharing or reallocation of staff may best address shifting demands for services. (5.28)

Resources remain limited and the University faced a significant 9% budget reduction in 2014. Reductions in operational costs were achieved by not filling some positions after retirements/ resignations, reducing some positions from twelve to nine month appointments, moving qualified faculty from low-enrolled to high-enrolled departments, and eliminating some positions.

In 2014 and 2015, the University reorganized several divisions following retirements of key leaders. The resulting offices and divisions cluster related programs and provide cross-functional support with the goal of improving student success and satisfaction.

Department of Gender Studies and the Women's Center	Gender Studies moved to location in Smith Student Center. Combining departments improved connections between student and academic affairs
Advancement	Advancement now reports to the renamed VP of Finance, Administration, and Advancement
Counseling Center and academic Department of Counseling and Development (CDEV)	Counseling Center moved from student affairs to CDEV to increase opportunities for utilization of graduate students and to address issue with long student wait times for counseling appointments.
Alumni Affairs	Moved from Advancement to Office of the President to separate fundraising efforts from development of alumni activities

Yearly departmental reports provide feedback on changing and increasing demands for services. Trends shown in these reports are used for staffing modifications.

5.29 ***In reassigning space upon completion of the new student center, special attention should be paid to the need for confidentiality and accessibility with certain student services facilities such as the counseling and tutorial centers and the Office for Students with Disabilities. (5.29)***

With completion of the new student center, the goal for renovation of the University Union has been to provide the majority of student support services in one accessible location. The feasibility study for designing the renovation will be completed during the summer of 2015, followed by a request for funding by the Board of Governors in 2016. The feasibility study will identify departments that will occupy the newly renovated spaces and will outline specific project issues/concerns (i.e. confidentiality/accessibility etc.), and projected construction costs. When the new student center was completed, capital funding was not immediately available for the renovation project. In the interim, due to recent renovations at Bailey Library, some of the departments (Academic Services/Career Education and Development) that were proposed to be relocated to the University Union will be staying in Bailey Library.

5.30	***The Majors and Careers Exposition was once a mainstay of the academic year but has been discontinued. The Career Services office should reconstitute the exposition for currently enrolled students, holding one each semester. The expositions offered more personalized opportunities than other sources of information for students to explore academic programs and educational goals through one-on-one conversations with faculty and fellow students. (5.30)*** The Majors and Careers Exposition, now called the Majors and Minors Fair, has been held each year since the 2011 self-study, with the exception of one year when it was not possible because of staffing changes.
5.31	***Availability community-focused educational and cultural programs are numerous and often of high quality, but also sponsored by so many distinct departments and offices that it is difficult for any potential user to examine them as a whole, in order to make informed decisions about participation. The university would benefit from creation of a web page that summarized available programs, provided links to information about each program, and supplied news and updates on featured programs. Such a page should be easily accessible, meaning no more than one step removed from the university's home page. (5.31)*** Providing information for community and educationally-focused programs and events is much better suited utilizing a calendar model/page, as opposed to creating a static page to represent the program happenings at Slippery Rock University. The majority of higher-education schools utilize a university events calendar for such a purpose since it is more dynamic, including the other institutions in the state system. Slippery Rock's calendar system is accessible via one click from the master footer sections of the campus webpage. Additionally worth noting, SRU is expecting improvements within its calendaring systems in the relatively near future. Ad-Astra software has been upgraded with the eventual possibility of having its master calendar viewable by external audiences.
5.32	***As previously mentioned, Miller Auditorium is a performance facility more than a half-century old and woefully inadequate for the variety of uses currently demanded of it. Cost of a new performing arts facility, estimated at more than $39 million, makes such a project unattainable. But the already studied expansion and renovation of Miller, currently estimated to cost $24.5 million, is practical and has been integrated into the university's facilities planning. The state has agreed to contribute $19 million to the project, which means the university must raise $.5 million before completion. To that end, Slippery Rock University is now engaged in a capital campaign to raise the funds, with at target date for completion of the project of Spring 2013. (5.32)*** The renovation of Miller Auditorium currently is integrated into the university facilities master plan at an estimated cost of $24.5 million. Additional review of the design and the desire of the Dance and Theater departments to collaborate on more projects has resulted in an updated design concept. It includes renovating Miller Auditorium and adding a smaller addition, and renovating the East and West Gyms at an estimated cost of $22.9 million. The new concept will create a performing arts conservatory on SRU's upper campus while saving an estimated $180,000 annually in building operating costs. The project began design in September 2015 and is currently scheduled to be completed in January 2018.
6.33	***Benchmarking through such means as the PASSHE performance indicators, the results of the***

	National Survey of Student Engagement (NSSE), and inclusion on recommended colleges lists does indicate that Slippery Rock is a successful residential university. Some members of campus constituencies do point out that both the performance indicators and the NSSE results provide exclusively statistical data, and that the university could benefit from more available qualitative evidence. Such evidence could take the form of alumni survey results that extend beyond the State System schools, the University would benefit from other assessments comparing its performance to that of comparable institutions outside the Pennsylvania State System of Higher Education. (6.33) Several advancements have been recently completed or are underway to better evaluate SRU's performance compared to other institutions. The university administered the Noel-Levitz Survey of Student Satisfaction to undergraduate students in spring 2014. This survey not only evaluates students' satisfaction with various university services, but also rates the importance of each service. SRU's outcomes are then benchmarked against other master's level public institutions. The university's performance is also often compared with other institutions through evaluation by outside sources. For example, SRU was again included in the 2015 edition of the U.S. News Best Colleges with a "Best Regional University - North" ranking. This placed the university among the top 100 universities in the region. Other recent rankings include: • Princeton Review: One of the Best Colleges in the Northeast, and one of the top 322 institutions nationally for commitment to sustainability. • Corporation for National and Community Service: a President's Honor Roll designee. • Institute for International Education: A top university nationally among master-degree granting institutions for the number of students participating in short-term study abroad. • Chronicle of Higher Education: Great Colleges to Work For. • Sierra magazine: One of the top 100 Green Colleges in the U.S. • Affordable Colleges Online: A great lifetime return on investment. • EducateToCareer.com: Top 100 Best Value Colleges. • College Factual: Top 150 "Best for the Money" schools nationally. • GI Jobs magazine: A military friendly university. The Student Government Association conducts a student-owned survey of student life, with internally designed questions. In the 2014-15 survey, students lamented the lack of Mexican fare on campus and in local Slippery Rock restaurants. Because of this feedback, the University and the Borough of Slippery Rock worked together to bring a Mexican restaurant within walking distance of campus, opening in Fall 2015.
6.34	***Since Slippery Rock University clearly prizes experience and a thorough knowledge of contract, policy, and established procedure in appointment administrators, particularly in the Academic Affairs Division, devising a method to monitor and assess the effectiveness of its approach would have obvious use. One approach might be to track the occurrence of contractual grievances and legal actions against the university, as a measure of how well the institution avoids difficulties often directly related to managerial performance. (6.34)*** The offices of Diversity and Equal Opportunity and Human Resources, working in conjunction with Legal Counsel, have provided a quarterly summary of grievances and legal actions to the President to share with the Council of Trustees. This summary includes current and outstanding contractual grievances, internal and external complaints, and lawsuits. This had been a practice

	for several years. Recently, while this report is still provided, it only includes the external complaints and lawsuits against the university. Contractual grievances by the bargaining unit are maintained by the Associate Vice President for Human Resources in a grievance tracking system in the PASSHE portal of Employee Self Service. Internal complaints are maintained by the Associate Vice President for Diversity and Equal Opportunity. All current issues are reviewed by the Provost or appropriate Vice President.
6.35	**A general consensus exists that various internal and external constituencies have a limited understanding of the roles and decision-making processes of the university's leadership and governance structures, including the system's Board of Governors and Slippery Rock's Council of Trustees. A carefully administered survey could provide more detailed information about the nature and extent of constituent understanding and may suggest strategies for increasing that understanding. (6.35)** The administration has changed the Council of Trustees (COT) meeting structure to enable time for University divisions, offices and services to provide informative programs to the COT members during their quarterly meetings. The presentations are designed to assist the trustees in understanding the unique and complex operations of universities. The University has made efforts to increase transparency and understanding of University processes and decisions including the following: ● Brown bag lunches with the Provost (for students and for faculty/staff) ● Department Chair Forum ● Meet and Discuss share site for the administration and faculty union ● Provost's address to University Forum (spring), in person and posted on website ● President's address to the campus (fall and spring), in person and posted on website ● Feedback links for the budget and the strategic plan ● COT meetings are open and agendas are presented to the campus in advance
6.36	***Currently the University seeks to limit and highlight the flow of information to various constituents through the use of three outlets: the Top of the Rock activities newsletter e-mailed to all faculty, staff, and administrators each weekday morning during the fall and spring terms; Good News notifications e-mailed to students, faculty, staff, and administrators each weekday afternoon, and the RockPride on-line newsletter published each Friday during the academic sessions mentioned above and bi-weekly during the summer (Exhibit 37). However, these outlets are so regular and so full of a variety of information that constituents often automatically delete the e-mails, therefore missing out on information directly related to them. It may be more effective to allow specific offices, such as Human Resources, to occasionally e-mail information directly to targeted groups such as faculty and staff. (6.36)*** Like other universities and large diverse institutions, SRU has been challenged to find the correct balance of providing information to faculty, staff, and students. If too much information is provided the recipients might become overwhelmed. If too little, then campus stakeholders can be left out of the governing process. In 2011 the Human Resources Office was granted authorization to send mass emails to faculty and staff to ensure that constituents now receive critical HR information on topics such as training opportunities, wellness programs and deadlines, and new work policies.

6.37	**Information concerning the number of course sections that have a service learning component and the number of students enrolled in those course sections is currently incomplete. The Institute for Community, Service Learning, and Nonprofit Leadership underwent an administrative change in summer, 2009, partly to strengthen weakened links between the Institute and academic programs. To further strengthen those links, the Institute should consider direct investigation by its staff or graduate assistants of the extent of service learning actually taking place within all academic departments. (6.37)** After the 2009 administrative change, the Institute for Community, Service Learning, and Non-Profit Leadership was renamed the Center for Student Involvement and Leadership. The center has developed Service learning course designations are approved by the appropriate dean. A corresponding service learning designation was implemented in the current student information system in 2011 and allows the University to readily pull course information related to various service learning components. In 2013 and 2014, Slippery Rock applied for Carnegie Community Engagement Classification (Appendix 2.5). Resulting recommendations have prompted changes including development of a robust infrastructure to support Community Engagement as core faculty work. For example, community Engagement is now part of the Provost's focus on high impact practices and is of growing importance as a faculty contribution to campus. Faculty can request to have their courses reviewed for designation as one of six high impact practices, including service learning. The University then monitors enrollment in these courses to show support of strategic initiatives. Students are also asked to indicate level of service learning in the bi-annual National Survey of Student Engagement (NSSE). The 2013 results indicate that SRU consistently out performs other Pennsylvania State System schools in the area of service learning and community engagement. Results show that 59% of SRU first year students are participating in service learning while the State System average in 52%. Seniors at SRU have a 71% participation rate outpacing the State System by 10%. This data, in conjunction with other direct assessments, is used to inform allocation of resources to ensure continuous improvement.
6.38	**The University needs firm and consistent numbers indicating how many students enroll in degree program-related internships and engage in volunteer work. Given the importance the institution places on experiential learning as a contributor to its identity as a premier residential university, creating a more coordinated and accurate process for gathering such information is essential. (6.38)** With the arrival of Provost Philip Way in 2013, the University direction began to move away from an identity as a premier residential university to embrace a national and global presence. As part of the Provost's new academic affairs strategic plan, goals related to high impact practices, engaging pedagogies, and lifelong learning were specified. When the divisions of academic affairs and student affairs were combined into a single division in 2014, partnerships between the Center for Student Involvement and Leadership and the academic departments began and continue to develop to enhance the student learning. Departments provide data and assessment about experiential learning for analysis of the strategic plan. Departments with required internship courses also review them as part of their annual assessment plans.
6.39	***The Student Code of Conduct does discuss what constitutes academic dishonesty and outlines the process that should be followed when addressing occurrences of such dishonesty. Integrating material on copyright and intellectual property rights into the Code may place a discussion of academic dishonesty into a contemporary context more understandable and***

	accessible to today's students. (6.39) Expectations about students' familiarity with Copyright laws and intellectual integrity are clearly stated in the SRU Academic Integrity Policy, revised in 2012. *Students are expected to understand basic principles of respect and compliance with intellectual property law. Particularly important are those aspects of the Copyright Law of the United States that apply to academic work as well as to the use of University computer resources.* The student conduct referral form, which is used to report students in violation of academic integrity, may be used to include copyright & intellectual property rights violations. During the fall of 2015 Academic Integrity Policy was linked to the Student Code of Conduct to make intellectual property laws more accessible to students.

Enrollment Management

The enrollment plan has been effective in increasing the diversity of SRU's entering students. Freshman under-represented minority enrollment increased by 22 students or 24.32% as compared to census day in 2013. Freshman African-American enrollment decreased by 7 students or 8.97%, and freshman Hispanic enrollment increased by 20 students or 66.67% as compared to census day in 2013. The quality of the freshman cohort has remained relatively stable with small declines on the top 25% of the high school graduating class and SAT. Fall 2015 quality indicators report an average high school grade point average of 3.41, top 25% of high school graduating class at 36%, and a mean SAT of 999 as compared to 3.41, 42%, 1015, respectively in 2011. New freshman out-of-state students increased by 29 students or 16% as compared to census day two years ago (Fall 2015: 212 and Fall 2013: 183).

New transfer students decreased by 47 students or 7.6% as compared to two years ago (Fall 2015: 575 and Fall 2013: 622). Transfer underrepresented minority student enrollment increased by 1 student or 1.39% as compared to census day two years ago (Fall 2015: 73 and Fall 2013: 72). The decline in transfer students was anticipated since this group primarily entered higher education at the time Western Pennsylvania high school graduation declines were at the lowest point in 2013, which is also reflected by the size of Slippery Rock's freshmen cohort in fall 2013. Over 50% of all transfer students come from the Pennsylvania community college system. New transfer out-of-state students increased by 3 students or 7.5% as compared to census day two years ago (Fall 2015: 43 and Fall 2013: 40).

New graduate students increased by 118 students or 35% as compared to Fall 2013 (Fall 2015: 458 and Fall 2013: 340). Graduate underrepresented minority student enrollments increased by 17 students or 113% as compared to census day two years ago (Fall 2015: 32 and Fall 2013: 15). New graduate programs and offering graduate studies with flexible and convenient modalities produced the enrollment outcomes. Primary graduate program enrollment growth drivers include the Special Education Doctorate, Masters in Business Administration, and fully online modalities in most graduate education degrees, history, and English).

Table 4.1.3 - New Student Population by Diversity and Regional Indicators

New First Year Student Headcount (Degree Seeking)	**2011**	**2012**	**2013**	**2014**	**2015**
Diversity Indicators					
URM (excluding Asian & Caucasian)	155	173	148	162	184
African-American	92	87	78	70	71
Hispanic	32	44	30	36	50
Regional Indicators					
International	4	11	7	19	15
Pennsylvania	1,330	1,315	1,218	1,372	1,297
Out-of-State	202	220	183	195	212
FTFT Cohort Enrollment	**1536**	**1546**	**1401**	**1586**	**1524**
New Transfer Student Headcount (Degree Seeking)	**2011**	**2012**	**2013**	**2014**	**2015**
Diversity Indicators					
URM (excluding Asian & Caucasian)	41	48	72	69	73
African-American	19	32	43	41	47
Hispanic	11	6	17	15	14
Regional Indicators					

International	4	13	9	12	12
Pennsylvania	541	576	573	536	520
Out-of-State	52	36	40	52	43
FT & PT Transfer Student Enrollment	**597**	**625**	**622**	**600**	**575**
New Graduate Student Headcount (Degree & Non-Degree)	**2011**	**2012**	**2013**	**2014**	**2015**
Diversity Indicators					
URM (excluding Asian & Caucasian)	16	9	15	34	32
African-American	8	5	11	18	19
Hispanic	4	3	1	10	7
Regional Indicators					
International	5	4	2	2	0
Pennsylvania	241	254	282	382	404
Out-of-State	34	40	56	55	54
New Graduate Student Enrollment	**280**	**298**	**340**	**439**	**458**

While the primary academic term for new enrollments remains the fall semester, it is important to note that a high number of new graduate students now enter in summer terms and a high number of new transfer students enter in the spring term. For example, new graduate students increased by 105 students or 45.5% in Summer 2015 as compared to two years ago (Summer 2015: 336 and Summer 2013: 231). Additionally, new transfer students entering in the Spring term decreased slightly by 18 students or 6.3% in Spring 2014 as compared to two years ago (Spring 2014: 267 and Spring 2012: 285).

Total degree seeking international student headcount enrollment increased by 27 students or 50% over the past two years (Fall 2015- 81 and Fall 2013-54). International students are represented by freshmen, transfer, and graduate students. The non-degree seeking/exchange international student headcount enrollment increased by 13 students or 86.7% over the past two years (Fall 2015-28 and Fall 2013-15).

Table 4.1.4 - Credit Generating International Student Enrollment

Credit Generating International Student Enrollment					
Type of Student	Fall 2011	Fall 2012	Fall 2013	Fall 2014	Fall 2015
Degree-Seeking	62	57	54	72	81
Non-Degree Seeking/Exchange	4	16	15	21	28
Total	66	73	69	93	109

Summer Session and Winter Intersession enrollment is a critical element of the institution's strategic planning efforts. Positive gains have been evidenced in the last few years. Growth is primarily due to increased numbers and types of online courses offered. These intersessions ease strains on course registration in regular semesters, and allow students to move toward earlier graduation.

Table 4.1.4 - Summer Enrollment

Summer Enrollment					
Summer Enrollment	**Summer 2013**	**Summer 2014**	**Summer 2015**	**% DIFF Previous Year (2014 to**	**% Diff Two Years (2013 to**

				2015)	2015)
Undergraduate Unduplicated Headcount	2,292	2,244	2,197	-2.1%	-4.1%
Undergraduate Credit Hours	13,989	13,749	13,583	-1.2%	-2.9%
Graduate Unduplicated Headcount	607	731	895	+22.4%	+47.4%
Graduate Credit Hours	4,773	5,650	6,700	+18.6%	+40.4%
Total Unduplicated Headcount	2,899	2,975	3,092	+3.9%	+6.7%
Total Credit Hours	18,762	19,399	20,283	+4.6%	+8.1%

Table 4.1.5 – Winter Enrollment

Winter Enrollment					
Credit Hours Generated	**Winter 2012**	**Winter 2013**	**Winter 2014**	**% DIFF Previous Year**	**% Diff Two Years**
Undergraduate Unduplicated Headcount	796	1,173	1,281	+9.2%	+60.9%
Undergraduate Credit Hours	2,901	4,458	4,784	+7.3%	+64.9%
Graduate Unduplicated Headcount	159	289	404	+39.8%	+154.1%
Graduate Credit Hours	640	1,192	1,719	+44.2%	+168.6%
Total Headcount	955	1,462	1,685	+15.3%	+76.4%
Total Credit Hours	3,541	5,650	6,503	+15.1%	+83.6%

Retention and Graduation Strategies

Enrollment management strategies include improved student success approaches to increase retention and completion rates, which are already above the national averages and first among the PASSHE institutions.

The overall first-to-second year retention increased to 83.3% for the 2014 cohort as compared to 81.6% for

Table 4.1.6 - Retention and Graduation

Retention and Graduation					
Cohort Year	*Continued to 2nd Year*	*Continued to 3rd Year*	*4 YR Graduation*	*5 YR Graduation*	*6 YR Graduation*
2008	80.6%	74.3%	48.7%	65.2%	62.6%
2009	81.5%	73.4%	50.7%	65.4%	67.5%
2010	81.1%	73.8%	50.9%	66.1%	
2011	81.2%	72.7%	49.5%		
2012	82.4%	74.1%			
2013	81.6%	74.2%			
2014	83.4%				
2015					

In addition to the data presented here, the University tracks retention and graduation by race/ethnicity, gender, academic department/program, Pell/non-Pell, and in-state/out-of-state by cohort. The University also tracks retention and graduation by full and part transfer student enrollment by entering class level. This tracking serves to ensure that initiatives address all university constituents, particularly any that are changing.

The University strives to improve first-to-second year persistence. Some of these strategies include effective orientation programming, a freshman seminar (FYRST Seminar) and learning community cluster initiative; tutoring services and supplemental instruction; a comprehensive orientation program for under-represented minority (URM) students entitled "Jump-Start;" academic support services for academically at-risk students and underrepresented students (URM, PELL, and first-generation); academic transition services for new transfer students; and a freshman leadership program. Additionally, Slippery Rock University has in place effective programs, which span the students' college experience and enhance their involvement and engagement. These include residential living-learning communities, career education and development services, an honor's program, international experiences, student-faculty research opportunities, student leadership experiences, involvement with nearly 200 clubs and organizations, service learning experiences, and 17 Division II athletic teams and many intramural and recreation opportunities, to name a few. Additionally, the University is examining ways in which to improve further the retention of underrepresented students and close the completion gap.

Student outreach and intervention services occur across campus. Strong organized efforts are particularly delivered through academic services, student intervention services, residence life and education, and retention services. These areas have developed effective outreach initiatives at critical time-periods in a student's college lifecycle to gain insight into student patterns of behavior.

The University has improved its use of technology tools to assist with student success initiatives. For example, a special effort to improve self-service delivery and automated student services through the improved use of a portal environment, new responsive website, new degree audit system are all underway. Faculty advisors also use progressive technology tools for accessing student academic advisement information through the use of the Education Advisory Board's Student Success Collaborative (SSC) Predictive Analytic Workbooks and the Advising Platform. The Predictive Analytic Workbooks provide deans and chairpersons with patterns of student transitions, critical courses and timing, and programmatic trends. The SSC Advising Platform assists advisers in determining the students who are at an attrition risk, helps them to proactively reach out to these students, and provides advisers with major guidance and career analytics for sharing with their students. The SSC Advising Platform is particularly helpful in identifying students in the sophomore and junior years who are at risk in an effort to increase completion while sustaining improvements in the first year. It is anticipated that the SSC Advising Platform will assist in identifying students who are denied admissions into upper division majors and assist them in finding new interest and pathways to graduation. Additionally, plans are underway to transform paper-based educational plans to digital educational planners in the degree audit system, which will be used to map degree pathways to graduation. Finally, plans are also underway to apply a holistic risk model with academic and non-academic factors to identify students at the risk of withdrawal through the transition of the SSC Advising Platform model to SSC Campus Connect model in spring 2015. The University uses an early alert and continuous alert system to identify students who are at risk early in the students’ educational experience. Finally, the University also uses a technology tool entitled, "Simplicity," to gather information on students' who are at risk behaviorally and create outreaches to these students. Simplicity, as a technology tool, is also used by our Career Development Center to provide career services to all levels of students.

A goal of Slippery Rock University’s Strategic Plan has been to adopt evidence-based, high-impact practices (HIPs). The university has adopted the model developed by the American Association of Colleges and Universities (AACU). Examples of high impact practices at SRU include freshman seminars, living-learning communities, undergraduate student-faculty research, senior level capstone experiences, field experiences, internships, and specific course experiences, which meet the criteria of a HIPs rubric.

Appendix 4.2

SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA OF THE STATE SYSTEM OF HIGHER EDUCATION

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2013 AND 2012

SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
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INDEPENDENT AUDITORS' REPORT

Council of Trustees
Slippery Rock University of Pennsylvania of the State System of Higher Education
Slippery Rock, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the business type activities and the aggregate discretely presented component units of Slippery Rock University of Pennsylvania of the State System of Higher Education ("University"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component units, which represent 100% percent of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors whose reports have has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Council of Trustees
Slippery Rock University of Pennsylvania of the State System of Higher Education

Opinion

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the business type activities and the aggregate discretely presented component units of the University as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the Schedules of Funding Progress for the System Plan and REHP (OPEB) on page 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

The financial statements of the University as of June 30, 2012, were audited by other auditors whose report dated October 31, 2012, expressed an unmodified opinion on those statements.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Harrisburg, Pennsylvania
November 20, 2013

SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
BALANCE SHEETS – PRIMARY INSTITUTION
JUNE 30, 2013 AND 2012

	2013	2012
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 79,736,458	$ 80,129,732
Accounts Receivable:		
Governmental Grants and Contracts	939,323	1,514,838
Students, Net of Allowance for Doubtful Accounts of $1,768,342 in 2013 and $1,592,052 in 2012	2,722,277	2,612,043
Other	214,711	86,786
Due from Component Unit	3,811,201	5,105,679
Inventories	512,316	519,512
Prepaid Expenses and Other Assets	177,474	192,252
Current Portion of Conversion Pay Receivable	9,848	14,782
Current Portion of Loans Receivable	681,654	352,056
Interest Income Receivable	79,195	102,912
Current Portion of Bond Issuance Costs	364	388
Total Current Assets	88,884,821	90,630,980
NONCURRENT ASSETS		
Conversion Pay Receivable	9,914	8,848
Bond Issuance Costs	17,580	20,721
Loans Receivable, Net	3,917,388	4,038,578
Capital Assets, Net	121,671,321	123,148,223
Total Noncurrent Assets	125,616,203	127,216,370
Total Assets	$ 214,501,024	$ 217,847,350

See accompanying Notes to Financial Statements.

SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
BALANCE SHEETS – PRIMARY INSTITUTION (CONTINUED)
JUNE 30, 2013 AND 2012

	2013	2012
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	$ 10,723,158	$ 11,329,047
Unearned Revenue	4,950,150	4,388,526
Students' Deposits	551,001	660,505
Other Deposit Liabilities	8,077	-
Workers' Compensation	321,961	285,360
Compensated Absences and Postretirement Benefit Obligations	4,635,001	4,911,793
Bond Premium	310,429	339,025
Bonds Payable	3,057,691	2,924,187
Capital Lease Obligations	35,042	36,200
Due to System, AFRP	304,890	293,252
Total Current Liabilities	24,897,400	25,167,895
NONCURRENT LIABILITIES		
Workers' Compensation	115,822	209,360
Compensated Absences and Postretirement Benefit Obligations	75,851,368	69,571,227
Bond Premium	2,080,774	2,391,202
Bonds Payable	44,829,604	47,887,295
Capital Lease Obligations	33,179	68,222
Unearned Revenue	1,990,774	2,201,201
Due to System, AFRP	2,780,713	3,085,640
Other Noncurrent Liabilities	4,486,982	4,963,810
Total Noncurrent Liabilities	132,169,216	130,377,957
Total Liabilities	157,066,616	155,545,852
NET POSITION		
Net Investment in Capital Assets	74,977,933	74,504,895
Restricted for:		
Expendable:		
Scholarships and Fellowships	111,174	26,843
Capital Projects	682,346	548,576
Student Loans	718,936	-
Other	175,428	18,780
Unrestricted	(19,231,409)	(12,797,596)
Total Net Position	57,434,408	62,301,498
Total Liabilities and Net Position	$ 214,501,024	$ 217,847,350

SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION – PRIMARY INSTITUTION
YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
OPERATING REVENUES		
Tuition and Fees	$ 76,293,626	$ 74,112,622
Less: Scholarship Discounts and Allowances	(17,528,232)	(17,947,691)
Net Tuition and Fees	58,765,394	56,164,931
Governmental Grants and Contracts:		
Federal	1,751,088	1,402,452
State	7,214,310	8,686,850
Local	3,743,056	3,608,068
Sales and Services of Educational Departments	2,361,684	2,098,969
Nongovernmental Grants and Contracts	93,619	83,660
Auxiliary Enterprises, Net of Scholarship Discounts and Allowances of $283,325 in 2013 and $253,204 in 2012	21,264,971	21,655,600
Other Revenues	586,568	1,566,585
Total Operating Revenues	95,780,690	95,267,115
OPERATING EXPENSES		
Instruction	50,425,901	47,476,208
Research	187,880	239,584
Public Service	1,387,450	1,603,963
Academic Support	10,170,013	10,336,957
Student Services	12,817,676	12,747,282
Institutional Support	23,275,618	22,098,275
Operations and Maintenance of Plant	14,179,585	14,318,739
Depreciation	7,942,120	7,178,136
Student Aid	6,255,839	6,956,622
Auxiliary Enterprises	16,309,055	15,679,619
Total Operating Expenses	142,951,137	138,635,385
NET OPERATING LOSS	(47,170,447)	(43,368,270)

See accompanying Notes to Financial Statements.

SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION – PRIMARY INSTITUTION (CONTINUED)
YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
NONOPERATING REVENUES (EXPENSES)		
State Appropriations, General and Restricted	32,012,491	32,494,341
Pell Grants	10,175,533	10,200,494
Investment Income, Net of Related Investment Expense of $15,096 in 2013 and $20,329 in 2012	856,775	1,060,718
Interest Expense on Capital Asset-Related Debt	(2,219,561)	(2,288,158)
Loss on Disposal of Assets	(120,931)	(18,683)
Other Nonoperating Revenue	86,155	94,544
Nonoperating Revenues, Net	40,790,462	41,543,256
LOSS BEFORE OTHER REVENUES	(6,379,985)	(1,825,014)
OTHER REVENUES		
State Appropriations, Capital	911,816	529,890
Capital Gifts and Grants	601,079	3,117,026
Total Other Revenues	1,512,895	3,646,916
CHANGE IN NET POSITION	(4,867,090)	1,821,902
Net Position, Beginning of Year	62,301,498	60,479,596
NET POSITION, END OF YEAR	$ 57,434,408	$ 62,301,498

See accompanying Notes to Financial Statements.

SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
STATEMENTS OF CASH FLOWS – PRIMARY INSTITUTION
YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Tuition and Fees	$ 58,708,430	$ 56,123,053
Grants and Contracts	13,665,278	12,820,608
Payments to Suppliers for Goods and Services	(33,518,796)	(34,135,305)
Payments to Employees	(89,874,168)	(89,642,638)
Loans Issued to Students	(678,215)	(422,552)
Loans Collected from Students	469,807	693,501
Student Aid	(6,356,958)	(7,054,765)
Auxiliary Enterprise Charges	21,178,308	21,323,275
Sales and Services of Educational Departments	2,374,315	2,103,651
Other Operating Receipts	196,750	(198,936)
Net Cash Used by Operating Activities	(33,835,249)	(38,390,108)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriations, including Federal ARRA	32,012,491	32,494,341
Pell Grants	10,175,533	10,200,494
Agency Transactions	97	(5,000)
PLUS, Stafford, and Other Loans Receipts (Non-Perkins)	57,268,395	69,045,096
PLUS, Stafford, and Other Loans Disbursements (Non-Perkins)	(57,268,395)	(69,045,096)
Other	86,155	94,544
Net Cash Provided by Noncapital Financing Activities	42,274,276	42,784,379
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Proceeds from Capital Debt	-	11,991,543
Capital Appropriations	911,816	529,890
Capital Grants and Gifts Received	601,079	3,117,026
Proceeds from Sales of Capital Assets	-	-
Purchases of Capital Assets	(5,405,950)	(21,794,723)
Principal Paid on Capital Debt	(3,253,677)	(3,089,075)
Interest Paid on Capital Debt	(2,566,061)	(2,657,686)
Net Cash Used by Capital Financing Activities	(9,712,793)	(11,903,025)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	880,492	1,080,260
DECREASE IN CASH AND CASH EQUIVALENTS	(393,274)	(6,428,494)
Cash and Cash Equivalents - Beginning of Year	80,129,732	86,558,226
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 79,736,458	$ 80,129,732

See accompanying Notes to Financial Statements.

SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
STATEMENTS OF CASH FLOWS – PRIMARY INSTITUTION (CONTINUED)
YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Net Operating Loss	$ (47,170,447)	$ (33,167,776)
Adjustments to Reconcile Net Operating Loss to Net Cash Used by Operating Activities:		
Depreciation Expense	7,942,120	7,178,136
Changes in Assets and Liabilities:		
Receivables	465,281	(1,370,434)
Inventory	7,196	(29,881)
Other Assets	1,185,199	2,492,657
Accounts Payable	(1,775,447)	(6,972,769)
Unearned Revenue	351,197	(42,325)
Students' Deposit	(109,504)	59,199
Compensated Absences	389,329	396,096
Loans to Students and Employees	(208,408)	270,949
Other Liabilities	5,088,235	2,996,534
Net Cash Used by Operating Activities	$ (33,835,249)	$ (28,189,614)
SUPPLEMENTAL DISCLOSURE OF NONCASH OPERATING AND CAPITAL FINANCING ACTIVITIES		
Accounts Payable for Construction	$ 1,180,199	$ 426,742
Capital Lease	-	41,639
Total	$ 1,180,199	$ 468,381

See accompanying Notes to Financial Statements.

SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
COMBINED STATEMENTS OF FINANCIAL POSITION – COMPONENT UNITS
JUNE 30, 2013 AND 2012

	2013	2012
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 11,156,848	$ 11,008,988
Investments	20,360,347	17,755,366
Accounts Receivable, Other	584,493	624,722
Pledges Receivable	754,182	777,072
Inventories	873,529	760,193
Total current assets	33,729,399	30,926,341
NONCURRENT ASSETS		
Capital Assets, Net	107,513,730	111,517,565
Other Assets	25,136,141	25,189,546
Total Noncurrent Assets	132,649,871	136,707,111
Total Assets	$ 166,379,270	$ 167,633,452
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	$ 195,906	$ 170,239
Capitalized Leases	29,655	41,577
Due to University	3,810,900	5,105,679
Annuity Liabilities	538,211	515,356
Other Liabilities	8,970,977	9,235,325
Total current liabilities	13,545,649	15,068,176
NONCURRENT LIABILITIES		
Bonds Payable	122,420,000	124,215,000
Total Liabilities	135,965,649	139,283,176
NET ASSETS		
Unrestricted	11,048,421	10,246,852
Temporarily Restricted	5,387,796	5,215,293
Permanently Restricted	13,977,404	12,888,131
Total Net Assets	30,413,621	28,350,276
Total Liabilities and Net Assets	$ 166,379,270	$ 167,633,452

See accompanying Notes to Financial Statements.

SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
STATEMENTS OF ACTIVITIES – COMPONENT UNITS
YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
CHANGES IN UNRESTRICTED NET ASSETS		
REVENUES AND OTHER ADDITIONS		
Contributions	$ 115,271	$ 46,834
Investment Income	2,542,891	247,661
Rental Income	13,897,390	14,050,554
Sales and Service	5,319,296	5,640,852
Student Activity Fees	2,215,074	2,196,011
Other Revenues	2,721,590	3,661,839
Net Assets Released from Restriction	796,890	1,304,115
Total Revenues and Other Additions	27,608,402	27,147,866
EXPENSES AND OTHER DEDUCTIONS		
Program services:		
Scholarships and Grants	2,201,796	2,009,499
Student Activities	3,366,070	2,915,915
University Store	3,374,851	3,219,885
Housing	14,335,702	14,624,427
Other University Support	1,557,088	1,943,637
Management and General	808,898	942,675
Transfer of Surplus to University	332,878	318,457
Fundraising	829,550	958,569
Total Expenses and Other Deductions	26,806,833	26,933,064
Increase in Unrestricted Net Assets	801,569	214,802
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Contributions	969,393	1,431,425
Net Assets Released from Restrictions, Satisfaction of Program Restrictions	(796,890)	(1,304,115)
Increase in Temporarily Restricted Net Assets	172,503	127,310
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS		
Contributions	$ 1,089,273	411,699
INCREASE IN NET ASSETS	2,063,345	753,811
Net Assets - Beginning of Year	28,350,276	27,596,465
NET ASSETS - END OF YEAR	$ 30,413,621	$ 28,350,276

See accompanying Notes to Financial Statements.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Slippery Rock University of Pennsylvania of the State System of Higher Education (the "University"), a public four year institution located in Slippery Rock, Pennsylvania, was founded in 1889. The University is one of fourteen universities of the State System of Higher Education (PASSHE). PASSHE was created by the State System of Higher Education Act of November 12, 1982, P.L. 660, No. 188, as amended (Act 188). PASSHE is a component unit of the Commonwealth of Pennsylvania (the "Commonwealth").

Reporting Entity

The University functions as a Business-Type Activity, as defined by the Governmental Accounting Standards Board (GASB).

The Slippery Rock Student Government Association (the "Association") is a legally separate, tax-exempt entity, which is responsible for the operations of the University Store and community activities. Although the University does not control the resources of the Association, the activities of the Association are solely for the benefit of the University and its students. Because these resources are held by the Association and can only be used to benefit the University and its students, the Association is considered a component unit of the University and is discretely presented in the University's financial statements. The financial activity of the Association is presented as of June 30, 2013 and 2012.

The Slippery Rock University Foundation (the "Foundation") is a legally separate, tax-exempt entity, which acts primarily as a fund-raising organization and supplements the resources that are available to the University in support of its programs. Although the University does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, that the Foundation holds are restricted to activities of the University by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of the University, the Foundation is considered a component unit of the University and is discretely presented in the University's financial statements. The University received payments from the Foundation of $332,878 and $318,457 during the years ended June 30, 2013 and 2012, respectively. The financial activity of the Foundation is presented as of June 30, 2013 and 2012.

Complete financial statements for the Association and the Foundation may be obtained at the University's administrative office.

NOTE 1 NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Basis of Presentation

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, as prescribed by GASB. The economic resources measurement focus reports all inflows, outflows, and balances that affect an entity's net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

The accompanying financial statements of the component units, which are all private nonprofit organizations, are reported in accordance with Financial Accounting Standards Board (FASB) requirements, including FASB Statement No. 117, *Financial Reporting for Not-for-profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications for these differences have been made to the component units' financial information presented herein.

Operating Revenues and Expenses

The University records tuition; all academic, instructional, and other student fees; student financial aid; auxiliary activity; and corporate partnerships as operating revenue. In addition, governmental and private grants and contracts in which the grantor receives equal value for the funds given to the University are recorded as operating revenue. All expenses, with the exception of interest expense on capital asset-related debt and losses on the disposal of assets, are recorded as operating expenses. Appropriations, Pell Grants, investment income, and parking and library fines are reported as nonoperating revenue.

Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statement of revenues, expenses and changes in net position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University and the amount that is paid by students and/or third parties making payments on students' behalf. To the extent that revenues from such programs are used to satisfy tuition and fees and other student services, the University has recorded a scholarship discount and allowance.

Net Position (formerly referred to as Net Assets)

The University maintains the following classifications of net position. The term "net position" has replaced the term "net assets" as required by GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.*

NOTE 1 NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position (formerly referred to as Net Assets) (Continued)

Net investment in capital assets (previously referred to and the same as "Invested in capital assets, net of related debt"; terminology was changed by GASB in Statement No. 63): Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, repair or improvement of those assets.

Restricted – nonexpendable: Net position subject to externally imposed conditions requiring that they be maintained by the University in perpetuity.

Restricted – expendable: Net position whose use is subject to externally imposed conditions that can be fulfilled by the actions of the University or by the passage of time.

Unrestricted: All other categories of net position. Unrestricted net position may be designated for specific purposes by the University's Council of Trustees.

When both restricted and unrestricted funds are available for expenditure, the decision as to which assets are used first is left to the discretion of the University.

Cash Equivalents

The University considers all demand and time deposits, money market funds and overnight repurchase agreements to be cash equivalents.

Accounts and Loans Receivable

Accounts and loans receivable consist of tuition and fees charged to current and former students and amounts due from federal and state governments in connection with reimbursements of allowable expenditures made pursuant to grants and contracts and other miscellaneous sources.

Accounts and loans receivable are reported at net realizable value. Accounts are written off when they are determined to be uncollectible based upon management's assessment of individual accounts. The allowance for doubtful accounts is estimated based upon the University's historical losses and periodic review of individual accounts.

Inventories

Inventories of the University consists mainly of supplies and is stated at the lower of cost or market, with cost determined principally on the weighted average method.

NOTE 1 NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Land and buildings at the University's campus acquired or constructed prior to the creation of PASSHE on July 1, 1983, are owned by the Commonwealth and made available to the University. Since the University neither owns such assets nor is responsible to service associated bond indebtedness, no value is ascribed thereto in the accompanying financial statements. Likewise, no value is ascribed to the portion of any land or buildings acquired or constructed utilizing capital funds appropriated by the Commonwealth after June 10, 1983 and made available to the University.

All assets with a purchase cost, or fair value if acquired by gift, in excess of $5,000 with an estimated useful life of two years or greater are capitalized. Buildings, portions of buildings, and capital improvements acquired or constructed by the University after June 30, 1983, through the expenditure of University funds or the incurring of debt, are stated at cost less accumulated depreciation. Equipment and furnishings are stated at cost less accumulated depreciation. Library books are capitalized and depreciated. Assets purchased under capital leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The University provides for depreciation on the straight-line method over the estimated useful lives of the related assets. Amortization of assets purchased under capital leases is included in depreciation expense. Normal repair and maintenance expenditures are not capitalized because they neither add to the value of the property nor materially prolong its useful life.

The University does not capitalize collections of art, rare books, historical items, etc., as they are held for public exhibition, education, or research rather than financial gain.

Impairment of Capital Assets

Management reviews capital assets for impairment whenever events or changes in circumstances indicate that the service utility of an asset has declined significantly and unexpectedly. Any write-downs due to impairment are charged to operations at the time impairment is identified. No write-down of capital assets was required for the years ended June 30, 2013 and 2012.

Unearned Revenue (previously Deferred Revenue)

Unearned revenue includes amounts for tuition and fees, grants, corporate sponsorship payments and certain auxiliary activities received prior to the end of the fiscal year but earned in a subsequent accounting period. The University previously referred to "unearned revenue" as "deferred revenue," but changed the terminology in accordance with new GASB requirements.

Compensated Absences

Employees' right to receive annual leave and sick leave payments upon termination or retirement for services already rendered is recorded as a liability.

NOTE 1 NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pension Plans

Employees of the University are required to enroll in one of three available retirement plans immediately upon employment. The University recognizes annual pension expenditures equal to its contractually required contributions to the Plan.

Scholarships and Waivers

In accordance with a formula prescribed by the National Association of College and University Business Officers (NACUBO), the University allocates the cost of scholarships, waivers, and other student financial aid between Scholarship discounts and allowances (netted against tuition and fees) and Student aid expense. Scholarship and waivers of room and board fees are reported in Auxiliary enterprises. The cost of tuition waivers granted to employees is reported as employees' benefits expense.

Income Taxes

The University, as a member of PASSHE, is tax exempt; accordingly, no provision for income taxes has been made in the accompanying financial statements.

Use of Estimates

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

New Accounting Standards

In November 2010, GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. Statement No. 60 establishes guidance for accounting and financial reporting for service concession arrangements, which are a type of public-private or public-public partnership. The University was required to adopt Statement No. 60 for the fiscal year ending June 30, 2013. The University has determined that Statement No. 60 has no effect on its financial statements.

In June 2011, GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflow of Resources, and Net Position*. In March 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. With Statements No. 63 and 65, GASB has reclassified certain assets and liabilities as "deferred outflows" and "deferred inflows" of resources. Further, GASB has replaced the term "net assets" with "net position," and has changed the balance sheet presentation to "assets, plus deferred outflows of resources equals liabilities, plus deferred inflows of resources, plus net position." The University was required to adopt Statement No. 63 for the fiscal year ending June 30, 2013, and is required to adopt Statement No. 65 for the fiscal year ending June 30, 2014. The University has determined that Statement No. 63 has no effect on the substance of its

NOTE 1 NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Standards (Continued)

financial statements; however, the changes increase the complexity of the financial statements to its readers, as the new presentation differs from the traditional and familiar business reporting model. The University has determined that the adoption of Statement No. 65 will require that bond issuance costs, which previously were netted against the associated bond payable, now will be expensed in the period incurred. The amount of fiscal year 2012/13 bond issuance costs that will be restated as an expense on next year's financial statements is $319,000.

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. Statement No. 68 will require the University to report its share of the pension liabilities that the Commonwealth of Pennsylvania State Employees' Retirement System (SERS) and Public School Employees' Retirement System (PSERS) must record beginning in fiscal year 2014/15. Although the University has not received an estimate of its share of the pension liabilities from either organization, the liabilities are expected to be significant and have a detrimental effect on its financial statements.

In January 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. In April 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. Statement No. 70 specifies the information required to be disclosed by governments that extend nonexchange financial guarantees. The University has determined that Statements No. 69 and 70 have no effect on its financial statements.

Reclassifications

Certain reclassifications have been made to the prior year's financial statements in order for them to conform to the current year's presentation. These reclassifications had no effect on prior year change in net position.

NOTE 2 CONDENSED COMPONENT UNITS INFORMATION

The following represents combining condensed statement of financial position information for the component units as of June 30, 2013:

	Association	Foundation	Total
Capital Assets, Net	$ 4,942,324	$ 102,570,406	$ 107,512,730
Other Assets	10,796,529	48,070,011	58,866,540
Total Assets	$ 15,738,853	$ 150,640,417	$ 166,379,270
Due to University	$ -	$ 3,810,900	$ 3,810,900
Long-Term Debt	-	122,420,000	122,420,000
Other Liabilities	727,794	9,006,955	9,734,749
Total Liabilities	$ 727,794	$ 135,237,855	$ 135,965,649
Net Assets:			
Unrestricted	$ 15,011,059	$ (3,962,638)	$ 11,048,421
Temporarily Restricted	-	5,387,796	5,387,796
Permanently Restricted	-	13,977,404	13,977,404
Total Net Assets	$ 15,011,059	$ 15,402,562	$ 30,413,621

The following represents combining condensed statement of financial position information for the component units as of June 30, 2012:

	Association	Foundation	Total
Capital Assets, Net	$ 5,049,170	$ 106,468,395	$ 111,517,565
Other Assets	10,294,186	45,821,701	56,115,887
Total Assets	$ 15,343,356	$ 152,290,096	$ 167,633,452
Due to University	$ -	$ 5,105,680	$ 5,105,680
Long-Term Debt	-	124,215,000	124,215,000
Other Liabilities	647,395	9,315,101	9,962,496
Total Liabilities	$ 647,395	$ 138,635,781	$ 139,283,176
Net Assets:			
Unrestricted	$ 14,695,961	$ (4,449,109)	$ 10,246,852
Temporarily Restricted	-	5,215,293	5,215,293
Permanently Restricted	-	12,888,131	12,888,131
Total Net Assets	$ 14,695,961	$ 13,654,315	$ 28,350,276

NOTE 2 CONDENSED COMPONENT UNITS INFORMATION (CONTINUED)

The following represents combining statement of activities for the component units for the year ended June 30, 2013:

	Association	Foundation	Total
Changes in Unrestricted Net Assets			
Revenues and Other Additions:			
Contributions	$ 355	$ 114,916	$ 115,271
Investment Income	22,547	2,520,344	2,542,891
Rental Income	-	13,897,390	13,897,390
Sales and Service	4,560,251	759,045	5,319,296
Student Activity Fees	2,215,074	-	2,215,074
Other Revenues	536,680	2,184,910	2,721,590
Net Assets Released from Restriction	-	796,890	796,890
Total Revenues and Other Additions	7,334,907	20,273,495	27,608,402
Expenses and Other Deductions:			
Program Services:			
Scholarships and Grants	-	2,201,796	2,201,796
Student Activities	3,366,070	-	3,366,070
University Stores	3,374,851	-	3,374,851
Housing	-	14,335,702	14,335,702
Other University Support	-	1,557,088	1,557,088
Management and General	278,888	530,010	808,898
Transfer of Surplus to University	-	332,878	332,878
Fundraising	-	829,550	829,550
Total Expenses and Other Deductions	7,019,809	19,787,024	26,806,833
Increase (Decrease) in Unrestricted Net Assets	315,098	486,471	801,569
Changes in Temporarily Restricted Net Assets			
Contributions	-	969,393	969,393
Net Assets Released from Restrictions	-	(796,890)	(796,890)
Increase in Temporarily Restricted Net Assets	-	172,503	172,503
Changes in Permanently Restricted Net Assets			
Contributions	-	1,089,273	1,089,273
INCREASE IN NET ASSETS	315,098	1,748,247	2,063,345
Net Assets - Beginning	14,695,961	13,654,315	28,350,276
NET ASSETS - ENDING	$ 15,011,059	$ 15,402,562	$ 30,413,621

SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

NOTE 2 CONDENSED COMPONENT UNITS INFORMATION (CONTINUED)

The following represents combining statement of activities for the component units for the year ended June 30, 2012:

Changes in Unrestricted Net Assets			
Revenues and Other Additions:			
Contributions	$ 375	$ 46,459	$ 46,834
Investment Income	38,986	208,678	247,664
Rental Income	-	14,050,554	14,050,554
Sales and Service	4,526,339	1,114,513	5,640,852
Student Activity Fees	2,196,011	-	2,196,011
Other Revenues	554,622	3,107,214	3,661,836
Net Assets Released from Restriction	-	1,304,115	1,304,115
Total Revenues and Other Additions	7,316,333	19,831,533	27,147,866
Expenses and Other Deductions:			
Program Services:			
Scholarships and Grants	-	2,009,499	2,009,499
Student Activities	2,915,915	-	2,915,915
University Stores	3,219,885	-	3,219,885
Housing	-	14,624,427	14,624,427
Other University Support	-	1,943,637	1,943,637
Management and General	270,364	672,311	942,675
Transfer of Surplus to University	-	318,457	318,457
Fundraising	-	958,569	958,569
Total Expenses and Other Deductions	6,406,164	20,526,900	26,933,064
Increase (Decrease) in Unrestricted Net Assets	910,169	(695,367)	214,802
Changes in Temporarily Restricted Net Assets			
Contributions	-	1,431,425	1,431,425
Net Assets Released from Restrictions	-	(1,304,115)	(1,304,115)
Increase in Temporarily Restricted Net Assets	-	127,310	127,310
Changes in Permanently Restricted Net Assets			
Contributions	-	411,699	411,699
INCREASE (DECREASE) IN NET ASSETS	910,169	(156,358)	753,811
Net Assets - Beginning	13,785,792	13,810,673	27,596,465
NET ASSETS - ENDING	$ 14,695,961	$ 13,654,315	$ 28,350,276

NOTE 3 DEPOSITS AND INVESTMENTS

The University predominantly maintains its cash balances on deposit with PASSHE. PASSHE maintains these and other PASSHE funds on a pooled basis. Although PASSHE pools its funds in a manner similar to an internal investment pool, individual PASSHE entities do not hold title to any assets in the fund. PASSHE as a whole owns title to all assets. The University does not participate in the unrealized gains or losses on the investment pool; instead, the University holds shares equal to its cash balance. Each share has a constant value of $1, and income is allocated based on the number of shares owned. Revenue realized at PASSHE level is calculated on a daily basis and posted monthly to each entity's account as interest income. The University's portion of pooled funds totals $77,785,595 and $75,828,353 at June 30, 2013 and 2012, respectively.

Board Policy 1986-02-A, *Investment*, authorizes PASSHE to invest in obligations of the U.S. Treasury, repurchase agreements, commercial paper, certificates of deposit, banker's acceptances, U.S. money market funds, municipal bonds, corporate bonds, collateralized mortgage obligations (CMOs), asset-backed securities, and internal loan funds. Restricted nonexpendable amounts and amounts designated by the Board or university trustees may be invested in the investments described above, as well as corporate equities and approved pooled common funds. For purposes of convenience and expedience, the University uses local financial institutions for activities such as cash deposits. In addition, the University may accept gifts of investments from donors as long as risk is limited to the investment itself. Restricted gifts of investments fall outside the scope of the investment policy.

In keeping with its legal status as a system of public universities, PASSHE recognizes a fiduciary responsibility to invest all funds prudently in accordance with ethical and prevailing legal standards. Investment decisions are intended to minimize risk while maximizing asset value. Adequate liquidity is maintained so that assets can be held to maturity. High quality investments are preferred. Reasonable portfolio diversification is pursued to ensure that no single security or investment or class of securities or investments will have a disproportionate or significant impact on the total portfolio. Investments may be made in U.S. dollar-denominated debt of high quality U.S. and non-U.S. corporations. Investment performance is monitored on a frequent and regular basis to ensure that objectives are attained and guidelines are followed.

Safety of principal and liquidity are the top priorities for the investment of PASSHE's operating funds. Within those guidelines, income optimization is pursued. Speculative investment activity is not allowed; this includes investing in asset classes such as commodities, futures, short-sales, equities, real or personal property, options, venture capital investments, private placements, letter stocks, and unlisted securities.

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

PASSHE's operating funds are invested and reinvested in the following types of instruments with qualifications as provided. (See Board Policy 1986-02-A, Investment, for a complete list of and more details on permissible investments and associated qualifications.)

Investment Categories	Qualifications/Moody's Ratings Requirements
United States Government Securities	Together with repurchase agreements must comprise at least 20% of the market value of the fund.
Repurchase Agreements	Underlying collateral must be direct obligations of the United States Treasury and be in PASSHE's or its agent's custody.
Commercial Paper	P-1 and P-2 notes only, with no more than 5% and 3%, respectively, of the market value of the fund invested in any single issuer. Total may not exceed 20% of the market value of the fund.
Municipal Bonds	Bonds must carry long-term debt rating of A or better. Total may not exceed 20% of the market value of the fund.
Corporate Bonds	15% must carry long-term debt rating of A or better; 5% may be rated Baa2 or better. Total may not exceed 20% of the market value of the fund.
Collateralized Mortgage Obligations (CMOs)	Must be rated Aaa and guaranteed by U.S. government. Total may not exceed 20% of the market value of the fund.
Asset-Backed Securities	Must be Aaa rated. Total may not exceed 20% of the market value of the fund, with no more than 5% invested in any single issuer.
System Investment Fund Loans (university loans and bridge notes)	Total may not exceed 20% of the market value of the fund, and loan terms may not exceed 5 years.

CMO Risk: CMOs are sometimes based on cash flows from interest-only (IO) payments or principal-only (PO) payments and are sensitive to prepayment risks. The CMOs in PASSHE's portfolio do not have IO or PO structures; however, they are subject to extension or contraction risk based on movements in interest rates.

Moody's Rating: PASSHE uses ratings from Moody's Investors Service, Inc., to indicate the credit risk of investments, i.e., the risk that an issuer or other counterparty to an investment will not fulfill its obligations. An *Aaa* rating indicates the highest quality obligations with minimal credit risk. Ratings that begin with *Aa* indicate high quality obligations subject to very low credit risk; ratings that begin with *A* indicate upper-medium-grade obligations subject to low credit risk; and ratings that begin with *Baa* indicate medium-grade obligations, subject to moderate credit risk, that may possess certain speculative characteristics. Moody's appends the ratings with numerical modifiers *1*, *2*, and *3*, with *1* indicating a higher ranking and *3* indicating a lower ranking within the category. For short-term obligations, a rating of *P-1* indicates that issuers have a superior ability to repay short-term debt obligations, and a rating of P-2 indicates that issuers have a strong ability to repay short-term debt obligations.

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Modified Duration: PASSHE denotes interest rate risk, or the risk that changes in interest rates will affect the fair value of an investment, using modified duration. Duration is a measurement in years of how long it takes for the price of a bond to be repaid by its internal cash flows. Modified duration takes into account changing interest rates. PASSHE maintains a portfolio duration target of 1.8 years with an upper limit of 2.5 years for the intermediate-term component of the operating portion of the investment portfolio. PASSHE's duration targets are not applicable to its long-term investments.

On June 30, 2013 and 2012, the carrying amount of the University's demand and time deposits were $1,950,863 and $4,298,014, respectively, as compared to bank balances of $2,145,015 and $4,281,495, respectively. The differences are primarily caused by items in transit and outstanding checks. Of the bank balances at June 30, 2013 and 2012, $250,000 was covered by federal government depository insurance; and $1,895,015 and $4,031,495, respectively, was uninsured and uncollateralized but covered under the collateralization provisions of the Commonwealth of Pennsylvania Act 72 of 1971 (Act 72), as amended. Act 72 allows banking institutions to satisfy the collateralization requirements by pooling eligible investments to cover total public funds on deposit in excess of federal insurance. Such pooled collateral is pledged with the financial institutions' trust departments. At June 30, 2013 and 2012, none of the University's demand and time deposits are exposed to foreign currency risk.

NOTE 4 INVESTMENT-COMPONENT UNIT

The fair value of investments at June 30 is as follows:

	2013	2012
Equity Securities	$ 15,921,104	$ 13,514,284
Fixed Income	4,250,843	4,052,682
Real Estate	188,400	188,400
Total	$ 20,360,347	$ 17,755,366

NOTE 5 CAPITAL ASSETS, NET

Capital assets acquired or constructed by the University through the expenditures of University funds or the incurrence of debt consist of the following:

	2013					
	Life	Beginning Balance July 1, 2012	Additions	Retirements	Reclassifications	Ending Balance June 30, 2013
Land		11,701	$ -	$ -	$ -	11,701
Construction in Progress		2,691,981	813,141		(2,303,558)	1,201,564
Total Capital Assets Not being Depreciated		2,703,682	813,141	-	(2,303,558)	1,213,265
Buildings, including Improvements	40	141,549,775	4,735,649	-	2,303,558	148,588,982
Improvements Other than Buildings		13,191,107	-	-	-	13,191,107
Furnishings and Equipment Including Capital Leases	Varies	20,387,137	912,321	(432,341)	-	20,867,117
Library Books	10	7,599,242	125,037	(448,661)	-	7,275,618
Total Capital Assets being Depreciated		182,727,261	5,773,007	(881,002)	2,303,558	189,922,824
Less: Accumulated Depreciation:						
Buildings, including Improvements		(36,178,596)	(5,212,949)	-	-	(41,391,545)
Improvements Other than Buildings		(6,212,311)	(624,234)	-	-	(6,836,545)
Furnishings and Equipment Including Capital Leases		(12,957,707)	(1,994,508)	420,088	-	(14,532,127)
Library Books		(6,934,106)	(110,429)	339,984	-	(6,704,551)
Total Accumulated Depreciation		(62,282,720)	(7,942,120)	760,072	-	(69,464,768)
Total Capital Assets being Depreciated, Net		120,444,541	(2,169,113)	(120,930)	2,303,558	120,458,056
Capital Assets, Net		$ 123,148,223	$ (1,355,972)	$ (120,930)	$ -	$ 121,671,321

NOTE 5 CAPITAL ASSETS, NET (CONTINUED)

	2012					
	Life	Beginning Balance July 1, 2011	Additions	Retirements	Reclassifications	Ending Balance June 30, 2012
Land		$ 11,701	$ -	$ -	$ -	$ 11,701
Construction in Progress		25,376,294	2,132,717	(33,751)	(24,783,279)	2,691,981
Total Capital Assets Not being Depreciated		25,387,995	2,132,717	(33,751)	(24,783,279)	2,703,682
Buildings, including Improvements	40	113,519,644	20,944,522	-	20,276,716	154,740,882
Furnishings and Equipment, including Capital Lease	Varies	14,730,638	1,267,975	(118,039)	4,506,563	20,387,137
Library Books	10	7,593,911	129,890	(124,559)	-	7,599,242
Total Capital Assets being Depreciated		135,844,193	22,342,387	(242,598)	24,783,279	182,727,261
Less: Accumulated Depreciation:						
Buildings, including Improvements		(37,496,367)	(4,894,539)	-	-	(42,390,906)
Furnishings and Equipment		(10,904,787)	(2,170,960)	118,039	-	(12,957,708)
Library Books		(6,927,343)	(112,637)	105,874	-	(6,934,106)
Total Accumulated Depreciation		(55,328,497)	(7,178,136)	223,913	-	(62,282,720)
Total Capital Assets being Depreciated, Net		80,515,696	15,164,251	(18,685)	24,783,279	120,444,541
Capital Assets, Net		$ 105,903,691	$ 17,296,968	$ (52,436)	$ -	$ 123,148,223

NOTE 6 LEASES

The University has entered into operating leases for certain office and classroom space on a year-to-year basis. Total rent expense for operating leases was $158,640 and $147,823 for the years ended June 30, 2013 and 2012, respectively. Future lease payments for operating leases are as follows:

Year Ending June 30,	Amount
2014	$ 158,640
2015	20,000
2016	20,000
Total	$ 198,640

NOTE 7 ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following at June 30, 2013 and 2012:

	2013	2012
Employees	$ 7,674,743	$ 7,278,216
Supplies and Services	1,905,009	1,834,496
Other	1,054,257	2,116,545
Interest	89,149	99,790
Total	$ 10,723,158	$ 11,329,047

NOTE 8 UNEARNED REVENUE

Unearned revenue consisted of the following at June 30:

	2013	2012
Grants	$ 465,038	$ 177,348
Students	4,005,781	3,832,039
Auxiliary	2,395,000	2,480,000
Other	75,105	100,340
Total	$ 6,940,924	$ 6,589,727

During the year ended June 30, 2011, the University entered into a contract with their food service provider. This contract required the food service provider to make an investment in the University at the inception of the contract to be recognized over a 10-year period. The remaining unamortized amount as of June 30, 2013 and 2012 was $2,395,000 and $2,480,000, respectively, and is presented as unearned auxiliary revenue.

NOTE 9 BONDS PAYABLE

Bonds payable consist of tax-exempt revenue bonds issued by PASSHE through the Pennsylvania Higher Education Facilities Authority (PHEFA). In connection with the bond issuances, PASSHE entered into a loan agreement with PHEFA on behalf of the University under which PASSHE has pledged its full faith and credit for the repayment of the bonds. The loan constitutes an unsecured general obligation of PASSHE. PASSHE's Board of Governor's has allocated portions of certain bond issuances to the University to undertake various capital projects or to advance refund certain previously issued bonds. The University is responsible for the repayment of principal and interest on its applicable portion of each obligation. The various bond series allocated to the University for the years ended June 30, 2013 and 2012 are as follows:

	2013				
	Weighted Average Interest Rate	Balance July 1, 2012	Bonds Issued	Bonds Redeemed	Balance June 30, 2013
Series AC issued in July 2006	4.89 %	$ 1,398,793	$ -	$ (79,047)	$ 1,319,746
Series AG issued in July 2007	4.75 %	2,957,144		(543,498)	2,413,646
Series AH issues in July 2008	4.70 %	8,910,271		(468,534)	8,441,737
Series AI issued in August 2008	4.10 %	353,412		(21,537)	331,875
Series AJ issued in July 2009	4.89 %	10,246,399		(409,854)	9,836,545
Series AL issued in July 2010	5.00 %	15,966,211		(1,029,413)	14,936,798
Series AM issued in July 2011	4.68 %	10,979,252		(372,304)	10,606,948
Total Bonds Payable		$ 50,811,482	$ -	$ (2,924,187)	$ 47,887,295

	2012				
	Weighted Average Interest Rate	Balance July 1, 2011	Bonds Issued	Bonds Redeemed	Balance June 30, 2012
Series AC issued in July 2006	4.89 %	$ 1,473,945	$ -	$ (75,152)	$ 1,398,793
Series AG issued in July 2007	4.75 %	3,479,245	-	(522,101)	2,957,144
Series AH issues in July 2008	4.70 %	9,356,259	-	(445,988)	8,910,271
Series AI issued in August 2008	4.10 %	374,242	-	(20,830)	353,412
Series AJ issued in July 2009	4.89 %	10,636,982	-	(390,583)	10,246,399
Series AL issued in July 2010	5.00 %	16,946,577	-	(980,366)	15,966,211
Series AM issued in July 2011	4.68 %	-	11,314,408	(335,156)	10,979,252
Total Bonds Payable		$ 42,267,250	$ 11,314,408	$ (2,770,176)	$ 50,811,482

NOTE 9 BONDS PAYABLE (CONTINUED)

The University participates in the PASSHE's Academic Facilities Renovation Bond Program (AFRP), which was established for the purpose of renovating the academic facilities across the PASSHE. This program will provide $100,000,000 in funding over the next several years. The PASSHE will issue bonds to provide a pool for funding for AFRP ($37,540,089 and $41,271,274 was outstanding as of June 30, 2013 and 2012, respectively). Universities can request funds for AFRP projects in accordance with their pre-approved amount of funding from the pool. Repayments to the pool are made annually based on the University's proportionate share of the total allocation of funds under the program. As of June 30, 2013 and 2012, the balance owed by the University to the PASSHE's AFRP pool of funding was $3,085,603 and $3,378,892, respectively.

Principal and interest maturities for each of the next five years and in subsequent five-year periods ending June 30 are as follows:

NOTE 9 BONDS PAYABLE (CONTINUED)

Series		2013	2014	2015	2016	2017	2018-2022	2023-2027	Thereafter	Total
AC	Principal	$ 82,942	$ 87,067	$ 91,420	$ 96,002	$ 100,814	$ 585,179	$ 276,321	$ -	$ 1,319,745
	Interest	64,260	60,113	55,760	51,189	46,389	151,086	18,264	-	447,061
	Total	147,260	147,202	147,180	147,180	147,191	736,174	441,880	-	1,914,067
AG	Principal	564,896	584,154	616,250	648,346	-	-	-	-	2,413,646
	Interest	112,209	92,438	63,230	32,417	-	-	-	-	300,294
	Total	674,050	677,105	676,592	679,480	680,763	-	-	-	3,387,990
AH	Principal	492,306	516,078	542,634	569,801	598,361	3,428,217	2,294,340	-	8,441,737
	Interest	395,224	370,609	344,805	317,673	289,183	1,008,185	336,140		3,061,819
	Total	887,185	887,530	886,687	887,439	887,474	4,436,650	2,991,795	525,981	12,390,741
AI	Principal	22,243	22,949	23,655	24,714	25,773	145,460	67,081	-	331,875
	Interest	13,781	13,002	12,142	11,195	10,207	34,346	4,560	-	99,233
	Total	36,018	36,024	35,951	35,797	35,909	179,971	107,456	-	467,126
AJ	Principal	430,179	451,894	474,664	497,433	522,647	3,032,917	3,613,571	813,240	9,836,546
	Interest	475,348	453,839	431,244	407,511	382,639	1,493,992	697,375	38,629	4,380,577
	Total	905,694	905,527	905,733	905,908	904,944	4,527,002	4,364,178	1,703,830	15,122,816
AL	Principal	1,081,264	1,135,008	1,191,557	1,251,156	580,493	3,366,580	4,296,210	2,034,530	14,936,799
	Interest	746,840	692,777	636,026	576,448	513,891	2,104,007	1,173,956	153,817	6,597,762
	Total	1,827,724	1,828,104	1,827,785	1,827,583	1,827,604	5,471,078	5,470,026	3,282,380	23,362,284
AM	Principal	383,861	402,847	422,660	444,123	466,411	2,680,423	3,394,488	2,412,133	10,606,946
	Interest	497,671	478,478	458,336	437,203	414,997	1,726,663	1,012,892	232,479	5,258,719
	Total	881,145	881,533	881,327	880,996	881,326	4,407,293	4,407,185	3,526,009	16,746,814
Total	Principal	3,057,691	3,199,997	3,362,840	3,531,575	2,294,500	13,238,777	13,942,011	5,259,904	47,887,295
	Interest	2,305,333	2,161,256	2,001,543	1,833,636	1,657,306	6,518,279	3,243,187	424,925	20,145,465
	Total	$ 5,363,024	$ 5,361,253	$ 5,364,383	$ 5,365,211	$ 3,951,806	$ 19,757,056	$ 17,185,198	$ 5,684,829	$ 68,032,760

NOTE 10 OBLIGATION UNDER CAPITAL LEASES

The University has incurred obligations under the terms of capital lease arrangements in 2010. The obligations are collateralized by the related leased equipment.

The present value of future net minimum lease payments has been classified in the accompanying financial statements at June 30, 2013 as follows:

Current Maturities of Capital Lease Obligations	$	35,042
Long-term Maturities of Capital Lease Obligations		33,179
Total	$	68,221

The following is a schedule, by year, of minimum, lease payments under the capital leases, together with the present value of the net minimum lease payments as of June 30, 2013:

Year Ending June 30,		Amount
2014	$	37,358
2015		21,033
2016		9,830
Total Minimum Lease Payments		68,221
Amounts Representing Interest		(3,272)
Present Value of Net Minimum Lease Payments	$	64,949

NOTE 11 COMPENSATED ABSENCES AND POSTRETIREMENT BENEFITS

Compensated absences and postretirement benefits for the years ended June 30, 2013 and 2012 are as follows:

	2013		2012	
	Current	Noncurrent	Current	Noncurrent
Compensated Absences	$ 419,001	$ 8,151,818	$ 558,793	$ 7,622,697
Post-Retirement Benefit Obligations	4,216,000	67,699,550	4,353,000	61,948,530
Total	$ 4,635,001	$ 75,851,368	$ 4,911,793	$ 69,571,227

NOTE 11 COMPENSATED ABSENCES AND POSTRETIREMENT BENEFITS (CONTINUED)

University employees who retire after meeting specified service and age requirements become eligible for participation in one of two defined healthcare benefits plans. These plans include hospital, medical/surgical, and major medical coverage, and provide a Medicare supplement for individuals over age 65.

System Plan

Plan Description

Employee members of the Association of Pennsylvania State College and University Faculties, the State College and University Professional Association, Security Police and Fire Professionals of America, Pennsylvania Nurses Association, and management employees participate in a single-employer defined benefit healthcare plan administered by PASSHE (the "System Plan"). The System Plan provides eligible retirees and their eligible dependents with healthcare benefits as well as tuition waivers at any of PASSHE's universities. Act 188 empowers the Board to establish and amend benefit provisions. Since the System Plan is unfunded, no financial report is prepared. The System Plan has no assets and no financial report is prepared.

Funding Policy

The contribution requirements of plan members and PASSHE are established and may be amended by the Board. The System Plan is funded on a pay-as-you-go basis; i.e., premiums are paid to an insurance company and various health maintenance organizations to fund the healthcare benefits to current retirees. Tuition waivers are provided by the retiree's sponsoring University as they are granted. PASSHE paid premiums of $42,975,000 and $38,729,000 for the fiscal years ended June 30, 2013 and 2012, respectively. Plan members receiving benefits contribute at various rates, depending upon when they retire, whether they are eligible for Medicare, the contribution rate in effect on the day of their retirement, the contribution rate for active employees, and applicable collective bargaining agreements. Following are the contribution rates of plan members as of June 30, 2013:

- Plan members receiving benefits who retired prior to July 1, 2005, are not required to make contributions.
- Nonfaculty coaches who retired July 1, 2005, pay a percentage of their final annual gross salary at the time of retirement.
- Other eligible annuitants who retired on or after July 1, 2005, and prior to July 1, 2008, and who are under age 65 pay 10% of the plan premium in effect on the day of retirement. When annuitants become eligible for Medicare, they pay 15% of the current cost of their Medicare coverage and current cost of coverage for covered dependents. The rate changes annually.
- Other eligible annuitants who retire after July 1, 2008, pay 15% of the plan premium in effect on their retirement date. Future adjustments will apply if contributions increase for active employees.

NOTE 11 COMPENSATED ABSENCES AND POSTRETIREMENT BENEFITS (CONTINUED)

System Plan (Continued)

Funding Policy (Continued)

Total contributions made by plan members were $3,667,000 and $3,189,000 or approximately 7.7% and 7.6% of the total premiums for the fiscal years ended June 30, 2013 and 2012, respectively.

Annual OPEB Cost and Net OPEB Obligation

The University's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following shows the components of the University's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in net OPEB obligation:

Annual Required Contribution	$ 9,019,000
Interest on Net OPEB Obligation	2,597,000
Adjustment to Annual Required Contribution	(3,153,000)
Annual OPEB Cost	8,463,000
Contributions Made	(2,848,980)
Increase in Net OPEB Obligation	5,614,020
Net OPEB Obligation at July 1, 2012	66,301,530
Net OPEB Obligation at June 30, 2013	$ 71,915,550

NOTE 11 COMPENSATED ABSENCES AND POSTRETIREMENT BENEFITS (CONTINUED)

Annual OPEB Cost and Net OPEB Obligation (Continued)

The University's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for June 30, 2013, and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2013	$ 8,463,000	33.7 %	$ 71,915,550
June 30, 2012	8,616,000	33.4 %	66,301,530
June 30, 2011	8,158,000	33.4 %	60,562,848

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2012, the most recent actuarial valuation date was as follows:

Actuarial Accrued Liability (AAL)	$ 106,643,000
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	$ 42,853,000
Funded Ratio (Actuarial Value of Plan Assets/AAL)	- %
Covered Payroll (Active Plan Members)	$ 42,853,000
UAAL as a Percentage of Covered Payroll	248.9 %

NOTE 11 COMPENSATED ABSENCES AND POSTRETIREMENT BENEFITS (CONTINUED)

Funded Status and Funding Progress (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and net estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2012 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.25% investment rate of return, which is the expected rate to be earned on PASSHE's operating portfolio, and an annual healthcare cost trend rate of 8.0% for pre-Medicare and 7.0% for post-Medicare, initially, reduced by decrements to an ultimate rate of 5.0% by 2025. The UAAL is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at July 1, 2012, was 23 years.

Retired Employees Health Program

Plan Description

Employee members of the American Federation of State, County and Municipal Employees (AFSCME); Pennsylvania Doctors Alliance (PDA); and Pennsylvania Social Services Union (PSSU) participate in the Retired Employees Health Program (REHP), which is sponsored by the Commonwealth and administered by the Pennsylvania Employee Benefits Trust Fund (PEBTF). The REHP provides eligible retirees and their eligible dependents with health care benefits. Benefit provisions are established and may be amended under pertinent statutory authority. The REHP neither issues a stand-alone financial report nor is it included in the report of a public employee retirement system or other entity.

NOTE 11 COMPENSATED ABSENCES AND POSTRETIREMENT BENEFITS (CONTINUED)

Funding Policy

The contribution requirements of plan members covered under collective bargaining agreements are established by the collective bargaining agreements. The contribution requirements of nonrepresented plan members and contributing entities are established and may be amended by the Commonwealth's Office of Administration and the Governor's Budget Office. Plan members who enrolled prior to July 1, 2005, are not required to make contributions. Plan members who enrolled after July 1, 2005, contribute a percentage of their final salary, the rate of which varies based on the plan member's enrollment date. Agency member (employer) contributions are established primarily on a pay-as-you-go basis. In fiscal year 2012/13, PASSHE contributed $265 for each current active employee per biweekly pay period. PASSHE made contributions of $25,638,000, $23,228,000, and $20,069,000 for the fiscal years ended June 30, 2013, 2012, and 2011, respectively, which equaled the required contributions for the year. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

NOTE 12 PENSION BENEFITS

The Public School Employees' Retirement System (PSERS) and the Commonwealth of Pennsylvania State Employees' Retirement System (SERS) are governmental cost-sharing multiple-employer defined benefit plans. The Alternative Retirement Plan (ARP) is a defined contribution plan administered by the PASSHE.

The Public School Employees' Retirement System (PSERS) is a governmental cost-sharing multiple-employer defined benefit plan. PSERS provides retirement and disability benefits, legislative-mandated ad hoc cost-of-living adjustments, and healthcare insurance premium assistance to qualifying annuitants. The Public School Employees' Retirement Code (Act No. 96 of October 2, 1975, as amended) (24 Pa. C.S. Section 8101-8535) is the authority by which benefit provisions are established and may be amended. The contribution policy for PSERS is established in the Public School Employees' Retirement Code and requires contributions by active members, the employer (University), and the Commonwealth of Pennsylvania. Active members contribute at a rate of between 5.25% and 7.50% of their qualifying compensation, depending upon when the active member was hired and what benefits class was selected. New members hired after July 1, 2011, have a one-time election to choose a 10.3% contribution rate. The contribution rate for the University is an actuarially determined rate. The rate was 6.18% of annual covered payroll at June 30, 2013. The University's contributions to PSERS for the years ended June 30, 2013, 2012 and 2011 were $268,993, $173,374 and $104,250, respectively, equal to the required contractual contribution. PSERS issues a comprehensive annual financial report that includes financial statements and required supplementary information for the plan. A copy of the report may be obtained by writing to Public School Employees' Retirement System, P.O. Box 125, Harrisburg, Pennsylvania 17108-0125.

NOTE 12 PENSION BENEFITS (CONTINUED)

SERS provides retirement, death, and disability benefits, and legislative-mandated ad hoc cost-of-living adjustments. Article II of the Commonwealth of Pennsylvania's Constitution assigns the authority to establish and amend the benefit provisions of the plan to the General Assembly. The contribution policy for SERS, as established by the State Employees' Retirement Code, requires contributions by active members and the employer (University). The contribution rate for both active members and the University depends upon when the active member was hired and what benefits class is selected. Active members contribute at a rate between 5.0% and 6.25% of their qualifying compensation. New members hired after January 1, 2011, have a one-time election to choose a 9.3% contribution rate. The University contributed at an actuarially determined rates of between 8.43% and 10.51% of an active member's annual covered payroll at June 30, 2013. The University's contribution to SERS for the years ended June 30, 2013, 2012 and 2011 were $2,140,902, $1,447,636 and $940,666, respectively, equal to the required contractual contribution. SERS issues a publicly available annual financial report that includes financial statements and required supplementary information for the plan. A copy of the report may be obtained by writing to Commonwealth of Pennsylvania, State Employees' Retirement System, P.O. Box 1147, Harrisburg, Pennsylvania 17108.

Because the ARP is a defined contribution plan, benefits equal amounts contributed to the plan plus investment earnings. In a defined contribution plan, benefits depend on amounts contributed to the plan plus investment earnings. Act 188 empowers the Board to establish and amend benefit provisions. The State Employees' Retirement Code establishes the employer contribution for the ARP, while the Board establishes the employee contribution rates. Active members contribute at a rate of 5% of their qualifying compensation. The University's contribution rate on June 30, 2013 and 2012 was 9.29% of qualifying compensation. The contributions to the ARP for the years ended June 30, 2013 and 2012 were $3,236,640 and $3,128,817, respectively, from the University and $1,733,248 and $1,625,891, respectively, from active members.

NOTE 13 WORKERS' COMPENSATION

The University participates in PASSHE's self-insured workers' compensation plan. For claims occurring prior to July 1, 1995, the University is responsible for claims less than $100,000; for claims occurring on or after July 1, 1995, the University is responsible for claims less than $200,000. Claims in excess of the self-insurance limits are funded through the Workers' Compensation Collective Reserve Fund (Reserve Fund), to which the University contributes in the amount determined by an independent actuarial study. Based on updated actuarial studies, the University contributed $124,308 and $169,395 to the Reserve Fund for the years ended June 30, 2013 and 2012, respectively.

NOTE 13 WORKERS' COMPENSATION (CONTINUED)

The liability for claims under the self-insurance limit for the years ended June 30, 2013 and 2012 were $437,783 and $494,720, respectively. Changes in the University's claims liability amount for fiscal years 2013 and 2012 were:

Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2013	$ 494,720	$ 456,555	$ (477,492)	$ 473,783
2012	$ 566,024	$ 221,385	$ (292,689)	$ 494,720

NOTE 14 RELATED PARTY TRANSACTIONS

Alumni Association

Slippery Rock University Alumni Association (the "Alumni Association") is a non-profit association formed to promote the welfare of the University by initiating and/or participating in fund raising drives aimed at providing scholarship assistance, research fellowships and grants, and additional facilities to meet special cultural, research or athletic needs. Since the Alumni Association operates under an independent governing board and management, the financial activity of the Alumni Association is not included in the University's financial statements.

Based upon internal financial statements, the Alumni Association had net assets of $1,297,456 at June 30, 2013 and $1,165,696 at June 30, 2012.

Slippery Rock University Foundation (the "Foundation")

The Foundation, which is a component unit of the University, was organized for the purpose of raising private support, and managing funds which are used solely for the benefit and support of the University. The Foundation does this by raising private support to provide the University with resources not available through normal system funding, in accordance with restrictions, if any, imposed by donors. The primary source of income to the Foundation are contributions from both individual and corporate donors, investment income, and camp fees. The Foundation also has oversight and management of campus student housing complexes. Although the University does not control the timing or amount of receipts from the Foundation, the majority of the resources and income thereon is restricted for the activities of the University by donors. As of June 30, 2013 and 2012, the Foundation held $13,977,404 and $12,888,131 of permanently restricted net assets for the benefit of the University. Permanently restricted net assets are primarily comprised of scholarship.

NOTE 14 RELATED PARTY TRANSACTIONS (CONTINUED)

Slippery Rock University Foundation (the "Foundation") (Continued)

endowments. The Foundation annually agrees with the University to manage the investment of monies received from various sources under the fiduciary agreement. The amount due to the University under this agreement as of June 30, 2013 and 2012 was $3,810,900 and $5,105,679, respectively. During the 2013 and 2012 fiscal years, the Foundation provided the following support to the University:

	2013	2012
Scholarships	$ 2,201,796	$ 2,009,499
Support of University Programs	1,557,088	1,943,637

The Foundation entered into an agreement with the University to provide office space, management and accounting personnel, computer and office equipment, and supplies at no cost. The total in-kind services provided to the Foundation by the University amounted to $239,798 and $441,061 in 2013 and 2012, respectively.

For the years ended June 30, 2013 and 2012, the University paid the Foundation $945,000 for the cost of employee's salaries, benefits, and other expenses related to comprehensive fundraising services.

Slippery Rock Student Government Association (the "Association")

The Association, which is a component unit of the University, was organized to provide student services and to promote and support educational cultural and recreational activities for the students of the University. The Association primarily conducts student activity fee supported organizations, bookstore operations, vending machine operations, child day care and Pre-K Counts operations. During the years ended June 30, 2013 and 2012, the Association received $2,215,074 and $2,196,011, respectively, in student activity fees from the University.

NOTE 15 CONTINGENCIES

Authorized expenditures for services, supplies, equipment, and construction projects unexpended as of June 30, 2013 and 2012 were $2,824,128 and $4,676,778, respectively.
The nature of the education industry is such that, from time to time, the University is exposed to various risks of loss related to torts; alleged negligence; acts of discrimination; breach of contract; labor disputes; disagreements arising from the interpretation of laws or regulations; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. While some of these claims may be for substantial amounts, they are not unusual in the ordinary course of providing educational services in a higher education system.

NOTE 15 CONTINGENCIES (CONTINUED)

The University is self-insured for workers' compensation up to stated limits (see Note 13). For all other risks of loss, the University pays annual premiums to the Commonwealth to participate in its Risk Management Program. The University does not participate in any public entity risk pools, and does not retain risk related to any aforementioned exposure, except for those amounts incurred relative to policy deductibles that are not significant. The University has not significantly reduced any of its insurance coverage from the prior year. It is not expected that the resolution of any outstanding claims and litigation will have a material adverse effect on the accompanying financial statements.

NOTE 16 TERMINATION BENEFITS

In March 2013, PASSHE's Board of Governors approved a Voluntary Retirement Incentive Program for APSCUF employees meeting certain age and service requirements. Eligible faculty who indicated their intent to retire by May 31, 2013, and eligible coaches who indicated their intent to retire by June 28, 2013, qualified for a cash incentive payout between $10,000 and $30,000, depending on base salary and years of service. A total of 2 eligible University employees accepted the offer by signing a release and settlement agreement releasing PASSHE and the University from all legal claims related to their employment and retirement. For the year ended June 30, 2013, the University recorded an expense of $53,000 for the cash incentive and $4,000 for associated Social Security and Medicare taxes, for a total expense of $57,000. The cash incentive is not eligible for retirement benefits.

SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS FOR THE SYSTEM PLAN AND REHP (OPEB)
JUNE 30, 2013 AND 2012
(UNAUDITED)

Schedule of Funding Progress for the System Plan (OPEB)
(in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b-a]/c)
July 1, 2010	$ -	$ 101,083	$ 101,083	- %	$ 42,049	240.4 %
July 1, 2011	-	105,536	105,536	- %	43,311	243.7 %
July 1, 2012	-	106,643	106,643	- %	42,853	248.9 %

Schedule of Funding Progress for the REHP (OPEB)
(in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b-a]/c)
July 1, 2010	$ 56,320	$ 13,674,250	$ 13,617,930	0.41 %	$ 3,786,000	360 %
July 1, 2011	70,740	12,907,790	12,837,050	0.55 %	3,858,000	334 %
July 1, 2012	71,630	12,843,700	12,772,070	0.56 %	4,130,000	309 %

The information above related to the Commonwealth's REHP as a whole; i.e., it is inclusive of all participating Commonwealth agencies and instrumentalities. Nearly all Commonwealth agencies and instrumentalities participate in the REHP.

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Council of Trustees
Slippery Rock University of Pennsylvania of the
State System of Higher Education
Bloomsburg, Pennsylvania

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of Slippery Rock University of Pennsylvania of the State System of Higher Education ("University") for the year ended June 30, 2013, and have issued our report thereon dated November 20, 2013. We did not audit the financial statements of the discretely presented component units, which statements reflect 100% of the total assets and 100% of the total net assets as of June 30, 2013 and 100% of the revenues of the discretely presented component units for the year then ended. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based on the reports of the other auditors. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

<u>Accounting policies</u>

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the University are described in Note 1 to the financial statements.

As described in Note 1, the University changed accounting policies related to the presentation of net position by adopting Statement of Governmental Accounting Standards (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* in 2013. There was no impact on previously reported financial statements amounts as a result of the accounting change.

As described in Note 1, the University was required to adopt GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements* in 2013. The University has determined that Statement No. 60 has no effect on its financial statements

Also described in Note 1 are several other GASB Statements that the University will be required to adopt in future years. The most significant pending GASB Statement is GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the adoption of which will require the University to report in the fiscal year 2014/15 its share of the pension liabilities that the Commonwealth of Pennsylvania State School Employees' Retirement System (SERS) and Public School Employees' Retirement System (PSERS) must record in fiscal year 2013/14. Although the University has not received an estimate of its share of the pension liabilities from either organization, the liabilities are expected to be significant and have a detrimental effect on its financial statements.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Council of Trustees
Slippery Rock University of Pennsylvania of the
State System of Higher Education

Accounting estimates

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

- Management's estimate of the allowance for doubtful student accounts receivable is based on the University's historical tuition and fees revenue, historical losses and periodic review of individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the useful lives of capital assets and related depreciation expense is based on the University's current and historical information available to management. We evaluated the key factors and assumptions used to develop the useful lives of capital assets and the related depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the compensated absences liability is based on current and historical information on employee vacation and leave balances, salary and wage rates and other pertinent information available to management. We evaluated the key factors and assumptions used to develop the compensated absences liability estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the postretirement benefits liability is based on actuarial calculations performed by a third party. We evaluated the key factors and assumptions used to develop the postretirement benefits liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

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

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Council of Trustees
Slippery Rock University of Pennsylvania of the
State System of Higher Education

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such agreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the attached management representation letter dated November 20, 2013.

Management consultations with other independent accountants

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

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Audits of group financial statements

We noted no matters related to the group audit that we consider to be significant to the responsibilities of those charged with governance of the group.

Quality of component auditor's work

There were no instances in which our evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work.

Limitations on the group audit

There were no restrictions on our access to information of components or other limitations on the group audit.

Council of Trustees
Slippery Rock University of Pennsylvania of the
State System of Higher Education

Other information in documents containing audited financial statements

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

* * *

This information is intended solely for the use of the Council of Trustees and management of Slippery Rock University of Pennsylvania of the State System of Higher Education and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Harrisburg, Pennsylvania
November 20, 2013

SlipperyRock University

Finance and Administrative Affairs

Accounting Services
Budget and Fiscal Planning
Contracts Management
Controller
Environmental Health and Safety
Facilities and Planning
Human Resources
Purchasing

November 20, 2013

CliftonLarsonAllen LLP
945 East Park Drive, Suite 202
Harrisburg, PA 17111

This representation letter is provided in connection with your audit of the financial statements of Slippery Rock University of Pennsylvania of the State System of Higher Education ("University"), which comprise the respective financial position of the business-type activities and aggregate discretely presented component units as of June 30, 2013, the respective changes in financial position, and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

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

We confirm, to the best of our knowledge and belief, as of November 20, 2013, the following representations made to you during your audit of the financial statements as of and for the year ended June 30, 2013, and the following representations as they apply to the financial statements as of and for the year ended June 30, 2012, which were audited by other auditors..

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 22, 2013, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. The financial statements include all properly classified funds and other financial information of the University and all component units required by U.S. GAAP to be included in the financial reporting entity.

- We acknowledge and have fulfilled our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

- We have identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions used in making those estimates, and we believe the estimates (including those measured at fair value) and the significant assumptions used in making those accounting estimates are reasonable.

- Significant estimates have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Significant estimates are estimates at the financial statement date that could change materially within the next year.

- Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

- All events occurring subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

- We have not identified or been notified of any uncorrected financial statement misstatements.

- The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

- Guarantees, if any, whether written or oral, under which the entity is contingently liable, if any, have been properly recorded or disclosed in accordance with U.S. GAAP.

- Arrangements with financial institutions involving repurchase, reverse repurchase, or securities lending agreements, compensating balances, or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements, have been properly recorded or disclosed in the financial statements.

- Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date and have been reduced, if necessary, to their estimated net realizable value.

- The methods and significant assumptions used to determine fair value of financial instruments resulted in a measure of fair value appropriate for financial statement measurement and disclosure purposes.

- We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

- Capital assets have been evaluated for impairment from any significant and unexpected decline in service utility. Impairment loss and insurance recoveries, if any, have been properly recorded.

- We believe that all material expenditures that have been deferred to future periods will be recoverable.

- We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefits (OPEB) liabilities and costs for financial accounting purposes are appropriate in the circumstances.

- We do not intend to withdraw from any multi-employer benefit plan.

- We do not plan to make frequent amendments to our pension or other postretirement benefit plans.

- Designations of net assets have been properly authorized, approved, and reflected in the financial statements.

Information Provided

- We have provided you with:
  - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters.
  - Additional information that you have requested from us for the purpose of the audit.
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - Complete minutes of the meetings of the Council of Trustees and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
  - All communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices, if any.
  - All communications from regulatory agencies, grantors, lenders, and other funding sources concerning noncompliance with the provisions of laws, regulations, contracts, and grant agreements.
- All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others when the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, grantors, regulators, or others.
- We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations and provisions of contracts and grant agreements, or abuse whose effects should be considered when preparing financial statements.
- We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

- There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.

- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

- The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as made known to you and disclosed in the financial statements.

- We have a process to track the status of audit findings and recommendations.

- We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

- We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the University, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities.

- There are no violations or possible violations of budget laws and regulations, including those pertaining to adopting, approving, and amending budgets, provisions of contracts and grant agreements, debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or for reporting on noncompliance.

- The entity has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

- We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.

- We are responsible for determining whether we have received, expended, or otherwise been the beneficiary of any federal awards during the period of this audit. Our federal awards expended, which were received directly from federal agencies or indirectly as a subrecipient, were in an amount that cumulatively totals from all sources $500,000 or more. For this representation, "award" means financial assistance and federal cost-reimbursement contracts that non-federal entities receive directly from federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, user grants, or contracts used to buy goods or services from vendors.

- We have followed all applicable laws and regulations in adopting, approving, and amending budgets.

- The financial statements include all component units. We have no joint ventures with an equity interest, other joint ventures, jointly governed organizations, and other related organizations.

- The financial statements properly classify all funds and activities.

- No funds or component units meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major. No other funds or component units are presented as major or particularly important to financial statement users.

- Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.

- Investments, derivative instruments, and land and other real estate held by endowments are properly valued.

- Provisions for uncollectible receivables have been properly identified and recorded.

- Expenses have been appropriately classified in or allocated to functions and programs in the statement of revenues, expenses, and changes in net position, and allocations have been made on a reasonable basis.

- Revenues are appropriately classified in the statement of revenues, expenses, and changes in net position as operating and nonoperating.

- Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

- Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.

- Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.

- We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available and have determined that net assets were properly recognized under the policy.

- We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

- As part of your audit, you prepared the draft financial statements and related notes. We have ~~designated an individual who possesses suitable skill, knowledge, and/or experience to understand and~~ oversee your services; have made all management judgments and decisions; and have assumed all management responsibilities. We have evaluated the adequacy and results of the service. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.

Signature: ____________________ Title: Director - Accounting

Signature: Molly M Mercer ____________________ Title: Interim VP
Finance & Administration

CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

Council of Trustees
and Management of Slippery Rock University
of Pennsylvania of the State System of Higher Education
Bloomsburg, Pennsylvania

In planning and performing our audit of the financial statements of the business-type activities and the aggregate discretely presented component units of Slippery Rock University of Pennsylvania of the State System of Higher Education as of and for the year ended June 30, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the entity's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to fraud or error may occur and not be detected by such controls. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Our audit was also not designed to identify deficiencies in internal control that might be significant deficiencies. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

This communication is intended solely for the information and use of management, the Council of Trustees, and others within the entity, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Harrisburg, Pennsylvania
November 20, 2013

SlipperyRock University

Finance and Administrative Affairs

Accounting Services
Budget and Fiscal Planning
Contracts Management
Controller
Environmental Health and Safety
Facilities and Planning
Human Resources
Purchasing

November 20, 2013

CliftonLarsonAllen LLP
945 East Park Drive, Suite 202
Harrisburg, PA 17111

This representation letter is provided in connection with your audit of the financial statements of Slippery Rock University of Pennsylvania of the State System of Higher Education ("University"), which comprise the respective financial position of the business-type activities and aggregate discretely presented component units as of June 30, 2013, the respective changes in financial position, and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

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

We confirm, to the best of our knowledge and belief, as of November 20, 2013, the following representations made to you during your audit of the financial statements as of and for the year ended June 30, 2013, and the following representations as they apply to the financial statements as of and for the year ended June 30, 2012, which were audited by other auditors..

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 22, 2013, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. The financial statements include all properly classified funds and other financial information of the University and all component units required by U.S. GAAP to be included in the financial reporting entity.

- We acknowledge and have fulfilled our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

- We have identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions used in making those estimates, and we believe the estimates (including those measured at fair value) and the significant assumptions used in making those accounting estimates are reasonable.

- Significant estimates have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Significant estimates are estimates at the financial statement date that could change materially within the next year.

- Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

- All events occurring subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

- We have not identified or been notified of any uncorrected financial statement misstatements.

- The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

- Guarantees, if any, whether written or oral, under which the entity is contingently liable, if any, have been properly recorded or disclosed in accordance with U.S. GAAP.

- Arrangements with financial institutions involving repurchase, reverse repurchase, or securities lending agreements, compensating balances, or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements, have been properly recorded or disclosed in the financial statements.

- Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date and have been reduced, if necessary, to their estimated net realizable value.

- The methods and significant assumptions used to determine fair value of financial instruments resulted in a measure of fair value appropriate for financial statement measurement and disclosure purposes.

- We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

- Capital assets have been evaluated for impairment from any significant and unexpected decline in service utility. Impairment loss and insurance recoveries, if any, have been properly recorded.

- We believe that all material expenditures that have been deferred to future periods will be recoverable.

- We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefits (OPEB) liabilities and costs for financial accounting purposes are appropriate in the circumstances.

- We do not intend to withdraw from any multi-employer benefit plan.

- We do not plan to make frequent amendments to our pension or other postretirement benefit plans.

- Designations of net assets have been properly authorized, approved, and reflected in the financial statements.

Information Provided

- We have provided you with:
  - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters.
  - Additional information that you have requested from us for the purpose of the audit.
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - Complete minutes of the meetings of the Council of Trustees and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
  - All communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices, if any.
  - All communications from regulatory agencies, grantors, lenders, and other funding sources concerning noncompliance with the provisions of laws, regulations, contracts, and grant agreements.
- All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others when the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, grantors, regulators, or others.
- We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations and provisions of contracts and grant agreements, or abuse whose effects should be considered when preparing financial statements.
- We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

- There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.

- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

- The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as made known to you and disclosed in the financial statements.

- We have a process to track the status of audit findings and recommendations.

- We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

- We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the University, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities.

- There are no violations or possible violations of budget laws and regulations, including those pertaining to adopting, approving, and amending budgets, provisions of contracts and grant agreements, debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or for reporting on noncompliance.

- The entity has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

- We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.

- We are responsible for determining whether we have received, expended, or otherwise been the beneficiary of any federal awards during the period of this audit. Our federal awards expended, which were received directly from federal agencies or indirectly as a subrecipient, were in an amount that cumulatively totals from all sources $500,000 or more. For this representation, "award" means financial assistance and federal cost-reimbursement contracts that non-federal entities receive directly from federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, user grants, or contracts used to buy goods or services from vendors.

- We have followed all applicable laws and regulations in adopting, approving, and amending budgets.

- The financial statements include all component units. We have no joint ventures with an equity interest, other joint ventures, jointly governed organizations, and other related organizations.

- The financial statements properly classify all funds and activities.

- No funds or component units meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major. No other funds or component units are presented as major or particularly important to financial statement users.

- Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.

- Investments, derivative instruments, and land and other real estate held by endowments are properly valued.

- Provisions for uncollectible receivables have been properly identified and recorded.

- Expenses have been appropriately classified in or allocated to functions and programs in the statement of revenues, expenses, and changes in net position, and allocations have been made on a reasonable basis.

- Revenues are appropriately classified in the statement of revenues, expenses, and changes in net position as operating and nonoperating.

- Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

- Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.

- Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.

- We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available and have determined that net assets were properly recognized under the policy.

- We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

- As part of your audit, you prepared the draft financial statements and related notes. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your services; have made all management judgments and decisions; and have assumed all management responsibilities. We have evaluated the adequacy and results of the service. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.

Signature: ______________________ Title: Director - Accounting

Signature: ______________________ Title: Interim VP
Finance & Administration

Appendix 4.3

SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2014 AND 2013

SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2014 AND 2013

INDEPENDENT AUDITORS' REPORT

Council of Trustees
Slippery Rock University of Pennsylvania of the State System of Higher Education
Slippery Rock, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the business type activities and the aggregate discretely presented component units of Slippery Rock University of Pennsylvania of the State System of Higher Education ("University"), as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of the discretely presented component units, which represent 100% percent of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors whose reports have has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the reports of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business type activities and the aggregate discretely presented component units of the University as of June 30, 2014 and 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the University implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 65 – *Items Previously Reported as Assets and Liabilities* for the year ended June 30, 2014, which represents a change in accounting principle. As of July 1, 2012, the University's net position was restated to reflect the impact of adoption. A summary of the restatement is presented in Note 1. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the Schedules of Funding Progress for the System Plan and REHP (OPEB) on page 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Harrisburg, Pennsylvania
October 30, 2014

SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
BALANCE SHEETS – PRIMARY INSTITUTION
JUNE 30, 2014 AND 2013

		2014		2013
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CURRENT ASSETS				
Cash and Cash Equivalents	$	75,264,928	$	79,736,458
Accounts Receivable:				
Governmental Grants and Contracts		1,148,697		939,323
Students, Net of Allowance for Doubtful Accounts of $2,408,946 in 2014 and $1,768,342 in 2013		2,476,551		2,722,277
Other		71,706		214,711
Due from Component Unit		2,571,519		3,811,201
Inventories		503,774		512,316
Prepaid Expenses and Other Assets		201,694		177,474
Current Portion of Conversion Pay Receivable		13,309		9,848
Current Portion of Loans Receivable		674,007		681,654
Interest Income Receivable		86,602		79,195
Total Current Assets		83,012,787		88,884,457
NONCURRENT ASSETS				
Conversion Pay Receivable		4,484		9,914
Loans Receivable, Net		4,175,136		3,917,388
Capital Assets, Net		118,552,865		121,671,321
Total Noncurrent Assets		122,732,485		125,598,623
Total Assets		205,745,272		214,483,080
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized Loss on Refunding of Debt		12,385		15,419
Total Assets and Deferred Outflows of Resources	$	205,757,657	$	214,498,499

See accompanying Notes to Financial Statements.

SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
BALANCE SHEETS – PRIMARY INSTITUTION (CONTINUED)
JUNE 30, 2014 AND 2013

LIABILITIES AND NET POSITION	2014	2013
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	$ 10,789,401	$ 10,723,158
Unearned Revenue	5,205,241	4,950,150
Students' Deposits	633,662	551,001
Other Deposit Liabilities	18,438	8,077
Workers' Compensation	370,664	321,961
Compensated Absences and Postretirement Benefit Obligations	4,966,405	4,635,001
Bond Premium	281,385	348,798
Bonds Payable	2,981,435	3,057,691
Capital Lease Obligations	21,034	35,042
Due to System, AFRP	317,598	304,890
Total Current Liabilities	25,585,263	24,935,769
NONCURRENT LIABILITIES		
Workers' Compensation	440,721	115,822
Compensated Absences and Postretirement Benefit Obligations	81,628,187	75,851,368
Bond Premium	1,733,458	2,359,056
Bonds Payable	35,993,212	44,829,604
Capital Lease Obligations	9,830	33,179
Unearned Revenue	1,555,250	1,990,774
Due to System, AFRP	2,460,292	2,780,713
Other Noncurrent Liabilities	4,566,767	4,486,982
Total Noncurrent Liabilities	128,387,717	132,447,498
Total Liabilities	153,972,980	157,383,267
NET POSITION		
Net Investment in Capital Assets	74,779,741	74,658,757
Restricted:		
Nonexpendable:		
Other	733,121	-
Expendable:		
Scholarships and Fellowships	103,645	111,174
Capital Projects	835,821	682,346
Student Loans	-	718,936
Other	161,743	175,428
Unrestricted	(24,829,394)	(19,231,409)
Total Net Position	51,784,677	57,115,232
Total Liabilities and Net Position	$ 205,757,657	$ 214,498,499

See accompanying Notes to Financial Statements.

SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION – PRIMARY INSTITUTION
YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
OPERATING REVENUES		
Tuition and Fees	$ 78,179,096	$ 76,293,626
Less: Scholarship Discounts and Allowances	(17,930,246)	(17,528,232)
Net Tuition and Fees	60,248,850	58,765,394
Governmental Grants and Contracts:		
Federal	859,009	1,751,088
State	7,738,315	7,214,310
Local	3,545,541	3,743,056
Sales and Services of Educational Departments	2,801,532	2,361,684
Nongovernmental Grants and Contracts	87,761	93,619
Auxiliary Enterprises, Net of Scholarship Discounts and Allowances of $289,347 in 2014 and $283,325 in 2013	21,599,709	21,264,971
Other Revenues	397,536	586,568
Total Operating Revenues	97,278,253	95,780,690
OPERATING EXPENSES		
Instruction	51,579,550	50,425,901
Research	130,703	187,880
Public Service	1,379,796	1,387,450
Academic Support	10,518,281	10,170,013
Student Services	13,253,556	12,817,676
Institutional Support	23,835,590	23,275,618
Operations and Maintenance of Plant	14,482,560	14,179,585
Depreciation	7,223,942	7,942,120
Student Aid	6,384,909	6,255,839
Auxiliary Enterprises	17,114,181	16,309,055
Total Operating Expenses	145,903,068	142,951,137
NET OPERATING LOSS	(48,624,815)	(47,170,447)

See accompanying Notes to Financial Statements.

SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION – PRIMARY INSTITUTION (CONTINUED)
YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
NONOPERATING REVENUES (EXPENSES)		
State Appropriations, General and Restricted	32,576,803	32,012,491
Pell Grants	10,074,513	10,175,533
Investment Income, Net of Related Investment Expense of $15,533 in 2014 and $15,096 in 2013	780,088	856,775
Gifts for than Other Capital Purposes	208,046	-
Interest Expense on Capital Asset-Related Debt	(1,490,589)	(2,177,748)
Loss on Disposal of Assets	(8,034)	(120,931)
Other Nonoperating Revenue	80,860	86,155
Nonoperating Revenues, Net	42,221,687	40,832,275
LOSS BEFORE OTHER REVENUES	(6,403,128)	(6,338,172)
OTHER REVENUES		
State Appropriations, Capital	1,054,919	911,816
Capital Gifts and Grants	17,654	601,079
Total Other Revenues	1,072,573	1,512,895
CHANGE IN NET POSITION	(5,330,555)	(4,825,277)
Net Position, Beginning of Year	57,115,232	62,301,498
Restatement for Debt Issuance Costs Per GASB 65	-	(360,989)
Net Position, Beginning of Year, As Restated	57,115,232	61,940,509
NET POSITION, END OF YEAR	$ 51,784,677	$ 57,115,232

See accompanying Notes to Financial Statements.

SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
STATEMENTS OF CASH FLOWS – PRIMARY INSTITUTION
YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Tuition and Fees	$ 60,769,069	$ 58,708,430
Grants and Contracts	11,968,608	13,665,278
Payments to Suppliers for Goods and Services	(32,500,112)	(33,518,796)
Payments to Employees	(93,150,607)	(89,874,168)
Loans Issued to Students	(967,804)	(678,215)
Loans Collected from Students	717,703	469,807
Student Aid	(6,487,944)	(6,356,958)
Auxiliary Enterprise Charges	21,293,648	21,178,308
Sales and Services of Educational Departments	2,801,326	2,374,315
Other Operating Receipts	1,676,244	196,750
Net Cash Used by Operating Activities	(33,879,869)	(33,835,249)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriations, including Federal ARRA	32,576,803	32,012,491
Pell Grants	10,282,559	10,175,533
Agency Transactions	12,498	97
PLUS, Stafford, and Other Loans Receipts (Non-Perkins)	68,897,729	57,268,395
PLUS, Stafford, and Other Loans Disbursements (Non-Perkins)	(68,897,729)	(57,268,395)
Other	80,860	86,155
Net Cash Provided by Noncapital Financing Activities	42,952,720	42,274,276
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Capital Appropriations	1,054,919	911,816
Capital Grants and Gifts Received	17,654	601,079
Purchases of Capital Assets	(3,934,216)	(5,405,950)
Principal Paid on Capital Debt	(9,257,718)	(3,253,677)
Interest Paid on Capital Debt	(2,197,701)	(2,566,061)
Net Cash Used by Capital Financing Activities	(14,317,062)	(9,712,793)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	772,681	880,492
DECREASE IN CASH AND CASH EQUIVALENTS	(4,471,530)	(393,274)
Cash and Cash Equivalents - Beginning of Year	79,736,458	80,129,732
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 75,264,928	$ 79,736,458

See accompanying Notes to Financial Statements.

SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
STATEMENTS OF CASH FLOWS – PRIMARY INSTITUTION (CONTINUED)
YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Net Operating Loss	$ (48,624,815)	$ (47,170,447)
Adjustments to Reconcile Net Operating Loss to Net Cash Used by Operating Activities:		
Depreciation Expense	7,223,942	7,942,120
Changes in Assets and Liabilities:		
Receivables	36,352	465,281
Inventory	8,542	7,196
Other Assets	1,360,436	1,185,199
Accounts Payable	(95,926)	(1,775,447)
Unearned Revenue	(180,433)	351,197
Students' Deposit	82,661	(109,504)
Compensated Absences	120,385	389,329
Loans to Students and Employees	(250,101)	(208,408)
Other Liabilities	6,439,088	5,088,235
Net Cash Used by Operating Activities	$ (33,879,869)	$ (33,835,249)
SUPPLEMENTAL DISCLOSURE OF NONCASH OPERATING AND CAPITAL FINANCING ACTIVITIES		
Accounts Payable for Construction	$ 179,304	$ 1,180,199

See accompanying Notes to Financial Statements.

SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
COMBINED STATEMENTS OF FINANCIAL POSITION – COMPONENT UNITS
JUNE 30, 2014 AND 2013

	2014	2013
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 10,038,379	$ 11,156,848
Investments	23,350,152	20,360,347
Accounts Receivable, Other	764,816	584,493
Pledges Receivable	1,390,704	754,182
Inventories	892,882	873,529
Total current assets	36,436,933	33,729,399
NONCURRENT ASSETS		
Capital Assets, Net	103,576,094	107,513,730
Other Assets	27,209,954	25,136,141
Total Noncurrent Assets	130,786,048	132,649,871
Total Assets	$ 167,222,981	$ 166,379,270
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	$ 89,520	$ 195,906
Capitalized Leases	21,217	29,655
Due to University	2,571,519	3,811,201
Annuity Liabilities	532,225	538,211
Other Liabilities	8,547,913	8,970,676
Total current liabilities	11,762,394	13,545,649
NONCURRENT LIABILITIES		
Bonds Payable	120,395,000	122,420,000
Total Liabilities	132,157,394	135,965,649
NET ASSETS		
Unrestricted	10,315,708	8,970,631
Temporarily Restricted	9,672,010	7,465,586
Permanently Restricted	15,077,869	13,977,404
Total Net Assets	35,065,587	30,413,621
Total Liabilities and Net Assets	$ 167,222,981	$ 166,379,270

See accompanying Notes to Financial Statements.

SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
COMBINED STATEMENTS OF ACTIVITIES – COMPONENT UNITS
YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
CHANGES IN UNRESTRICTED NET ASSETS		
REVENUES AND OTHER ADDITIONS		
Contributions	$ 373,303	$ 115,271
Investment Income	20,163	22,547
Rental Income	14,413,755	13,897,390
Sales and Service	4,815,204	5,319,296
Student Activity Fees	2,222,518	2,215,074
Other Revenues	1,825,089	2,721,590
Net Assets Released from Restriction	2,649,293	1,339,777
Total Revenues and Other Additions	26,319,325	25,630,945
EXPENSES AND OTHER DEDUCTIONS		
Program services:		
Scholarships and Grants	1,538,096	2,201,796
Student Activities	3,117,794	3,366,070
University Store	2,969,316	3,374,851
Housing	14,605,439	14,335,702
Other University Support	1,017,185	1,557,088
Management and General	790,853	808,898
Transfer of Surplus to University	-	332,878
Fundraising	869,640	829,550
Actuarial Losses on Annuities Payable	65,925	100,333
Total Expenses and Other Deductions	24,974,248	26,907,166
Change in Unrestricted Net Assets	1,345,077	(1,276,221)
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Contributions	1,138,452	969,393
Investment Income	3,717,265	2,620,677
Net Assets Released from Restrictions, Satisfaction of Program Restrictions	(2,649,293)	(1,339,777)
Change in Temporarily Restricted Net Assets	2,206,424	2,250,293
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS		
Contributions	1,100,465	1,089,273
INCREASE IN NET ASSETS	4,651,966	2,063,345
Net Assets - Beginning of Year	30,413,621	28,350,276
NET ASSETS - END OF YEAR	$ 35,065,587	$ 30,413,621

See accompanying Notes to Financial Statements.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Slippery Rock University of Pennsylvania of the State System of Higher Education (the "University"), a public four year institution located in Slippery Rock, Pennsylvania, was founded in 1889. The University is one of fourteen universities of the State System of Higher Education (the "State System"). The State System was created by the State System of Higher Education Act of November 12, 1982, P.L. 660, No. 188, as amended (Act 188). The State System is a component unit of the Commonwealth of Pennsylvania (the "Commonwealth").

Reporting Entity

The University functions as a Business-Type Activity, as defined by the Governmental Accounting Standards Board (GASB).

The Slippery Rock Student Government Association (the "Association") is a legally separate, tax-exempt entity, which is responsible for the operations of the University Store and community activities. Although the University does not control the resources of the Association, the activities of the Association are solely for the benefit of the University and its students. Because these resources are held by the Association and can only be used to benefit the University and its students, the Association is considered a component unit of the University and is discretely presented in the University's financial statements. The financial activity of the Association is presented as of June 30, 2014 and 2013.

The Slippery Rock University Foundation (the "Foundation") is a legally separate, tax-exempt entity, which acts primarily as a fund-raising organization and supplements the resources that are available to the University in support of its programs. Although the University does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, that the Foundation holds are restricted to activities of the University by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of the University, the Foundation is considered a component unit of the University and is discretely presented in the University's financial statements. The University received payments from the Foundation of $397,551 and $332,878 during the years ended June 30, 2014 and 2013, respectively. The financial activity of the Foundation is presented as of June 30, 2014 and 2013.

Complete financial statements for the Association and the Foundation may be obtained at the University's administrative office.

NOTE 1 NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Basis of Presentation

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, as prescribed by GASB. The economic resources measurement focus reports all inflows, outflows, and balances that affect an entity's net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

The accompanying financial statements of the component units, which are all private nonprofit organizations, are reported in accordance with Financial Accounting Standards Board (FASB) requirements, including FASB Statement No. 117, *Financial Reporting for Not-for-profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications for these differences have been made to the component units' financial information presented herein.

Operating Revenues and Expenses

The University records tuition; all academic, instructional, and other student fees; student financial aid; auxiliary activity; and corporate partnerships as operating revenue. In addition, governmental and private grants and contracts in which the grantor receives equal value for the funds given to the University are recorded as operating revenue. All expenses, with the exception of interest expense on capital asset-related debt and losses on the disposal of assets, are recorded as operating expenses. Appropriations, Pell Grants, investment income, gifts for other than capital purposes, and parking and library fines are reported as nonoperating revenue.

Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statement of revenues, expenses and changes in net position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University and the amount that is paid by students and/or third parties making payments on students' behalf. To the extent that revenues from such programs are used to satisfy tuition and fees and other student services, the University has recorded a scholarship discount and allowance.

NOTE 1 NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net position is the residual of Assets, plus Deferred Outflows of Resources, less Liabilities, less Deferred Inflows of Resources. The University maintains the following classifications of net position.

Net Investment in Capital Assets: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, repair or improvement of those assets.

Restricted – Nonexpendable: Net position subject to externally imposed conditions requiring that they be maintained by the University in perpetuity.

Restricted – Expendable: Net position whose use is subject to externally imposed conditions that can be fulfilled by the actions of the University or by the passage of time.

Unrestricted: All other categories of net position. Unrestricted net position may be designated for specific purposes by the University's Council of Trustees.

When both restricted and unrestricted funds are available for expenditure, the decision as to which assets are used first is left to the discretion of the University.

Cash Equivalents

The University considers all demand and time deposits, money market funds and overnight repurchase agreements to be cash equivalents.

Accounts and Loans Receivable

Accounts and loans receivable consist of tuition and fees charged to current and former students and amounts due from federal and state governments in connection with reimbursements of allowable expenditures made pursuant to grants and contracts and other miscellaneous sources.

Accounts and loans receivable are reported at net realizable value. Accounts are written off when they are determined to be uncollectible based upon management's assessment of individual accounts. The allowance for doubtful accounts is estimated based upon the University's historical losses and periodic review of individual accounts.

Inventories

Inventories of the University consist mainly of supplies and is stated at the lower of cost or market, with cost determined principally on the weighted average method.

NOTE 1 NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Land and buildings at the University's campus acquired or constructed prior to the creation of the State System on July 1, 1983, are owned by the Commonwealth and made available to the University. Since the University neither owns such assets nor is responsible to service associated bond indebtedness, no value is ascribed thereto in the accompanying financial statements. Likewise, no value is ascribed to the portion of any land or buildings acquired or constructed utilizing capital funds appropriated by the Commonwealth after June 10, 1983 and made available to the University.

All assets with a purchase cost, or fair value if acquired by gift, in excess of $5,000 with an estimated useful life of two years or greater are capitalized. Buildings, portions of buildings, and capital improvements acquired or constructed by the University after June 30, 1983, through the expenditure of University funds or the incurring of debt, are stated at cost less accumulated depreciation. Equipment and furnishings are stated at cost less accumulated depreciation. Library books are capitalized and depreciated. Assets purchased under capital leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The University provides for depreciation on the straight-line method over the estimated useful lives of the related assets. Buildings and improvements are depreciated over useful lives ranging from 10 to 40 years. Equipment and furnishings are depreciated over useful lives ranging from 3 to 10 years. Library books are depreciated over 10 years. Amortization of assets purchased under capital leases is included in depreciation expense. Normal repair and maintenance expenditures are not capitalized because they neither add to the value of the property nor materially prolong its useful life.

The University does not capitalize collections of art, rare books, historical items, etc., as they are held for public exhibition, education, or research rather than financial gain.

Impairment of Capital Assets

Management reviews capital assets for impairment whenever events or changes in circumstances indicate that the service utility of an asset has declined significantly and unexpectedly. Any write-downs due to impairment are charged to operations at the time impairment is identified. No write-down of capital assets was required for the years ended June 30, 2014 and 2013.

Unearned Revenue

Unearned revenue includes amounts for tuition and fees, grants, corporate sponsorship payments and certain auxiliary activities received prior to the end of the fiscal year but earned in a subsequent accounting period.

Compensated Absences

Employees' right to receive annual leave and sick leave payments upon termination or retirement for services already rendered is recorded as a liability.

NOTE 1 NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pension Plans

Employees of the University are required to enroll in one of three available retirement plans immediately upon employment. The University recognizes annual pension expenditures equal to its contractually required contributions to the Plan.

Deferred Outflows and Deferred Inflows of Resources

The balance sheet reports separate sections for Deferred Outflows of Resources and Deferred Inflows of Resources.

Deferred Outflows of Resources, reported after Total Assets, is defined by GASB as a consumption of net position that applies to future periods. The expense is recognized in the applicable future period(s). The University has one item that is required to be reported in this category: the deferred loss on bond defeasance, which results when the carrying value of a defeased bond is less than its reacquisition price. The difference is deferred and amortized over the remaining life of the old bond or the life of the new bond, whichever is shorter.

Deferred Inflows of Resources, reported after Total Liabilities, is defined by GASB as an acquisition of net position that applies to future periods. The revenue is recognized in the applicable future period(s). The University does not have any items required to be reported in this category.

Transactions are classified as deferred outflows of resources or deferred inflows of resources only when specifically prescribed by GASB standards.

Scholarships and Waivers

In accordance with a formula prescribed by the National Association of College and University Business Officers (NACUBO), the University allocates the cost of scholarships, waivers, and other student financial aid between Scholarship discounts and allowances (netted against tuition and fees) and Student aid expense. Scholarship and waivers of room and board fees are reported in Auxiliary enterprises. The cost of tuition waivers granted to employees is reported as employees' benefits expense.

Income Taxes

The University, as a member of the State System, is tax exempt; accordingly, no provision for income taxes has been made in the accompanying financial statements.

NOTE 1 NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Reclassifications

Certain amounts in the prior period presented have been reclassified to conform to the current period financial statement presentation. These reclassifications have no effect on previously reported change in net position.

New Accounting Standards

The University has implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Statement No. 65 establishes accounting and financial reporting standards that (a) reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that previously were reported as assets and liabilities; and (b) recognize, as revenues or expenses, certain items that previously were reported as assets and liabilities. As a result, bond issuance costs, which previously were netted against the associated bond discount or bond premium on the balance sheet and amortized over the life of the associated bond payable, now are expensed in the period incurred. The fiscal year 2012/13 bond issuance costs expense of $41,813 is included in the Statement of Revenues, Expenses, and Changes in Net Position as a restatement to the 2013 Decrease in Net Position. The June 30, 2012, balance of the deferred bond issuances costs of $360,989 is included in the Statement of Revenues, Expenses, and Changes to Net Position as a restatement to the 2013 Net position—beginning of year.

	2013
Decrease in Net Position, as previously stated	$ (360,989)
FY 2012/13 bond issuance costs	41,813
Decrease in Net Position, restated	$ (319,176)

	2013
Net position—beginning of year, as previously stated	$ 62,301,498
Unamortized balance of June 30, 2012, bond issuance costs	(360,989)
Net position—beginning of year, restated	$ 61,940,509

NOTE 1 NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Standards (Continued)

Amounts representing the unamortized gain or loss on bond defeasance, which previously were netted and classified as other liabilities, are now reported as deferred outflows of resources (unamortized loss) or deferred inflows of resources (unamortized gain).

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Statements No. 68 and 71 will require the University to report its share of the pension liabilities that the Commonwealth of Pennsylvania State Employees' Retirement System (SERS) and Public School Employees' Retirement System (PSERS) must record beginning in fiscal year 2014/15. Although the University has not received an estimate of its share of the pension liabilities from either organization, the liabilities are expected to be significant and have a detrimental effect on its financial statements.

In January 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. In April 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. Statement No. 70 specifies the information required to be disclosed by governments that extend nonexchange financial guarantees. The University has determined that Statements No. 69 and 70 have no effect on its financial statements.

NOTE 2 CONDENSED COMPONENT UNITS INFORMATION

The following represents combining condensed statement of financial position information for the component units as of June 30, 2014:

	Association	Foundation	Total
Capital Assets, Net	$ 4,831,946	$ 98,744,148	$ 103,576,094
Other Assets	11,323,346	52,323,541	63,646,887
Total Assets	$ 16,155,292	$ 151,067,689	$ 167,222,981
Due to University	$ -	$ 2,571,519	$ 2,571,519
Long-Term Debt	-	120,395,000	120,395,000
Other Liabilities	541,339	8,649,536	9,190,875
Total Liabilities	$ 541,339	$ 131,616,055	$ 132,157,394
Net Assets:			
Unrestricted	$ 15,613,953	$ (5,298,245)	$ 10,315,708
Temporarily Restricted	-	9,672,010	9,672,010
Permanently Restricted	-	15,077,869	15,077,869
Total Net Assets	$ 15,613,953	$ 19,451,634	$ 35,065,587

The following represents combining condensed statement of financial position information for the component units as of June 30, 2013:

	Association	Foundation	Total
Capital Assets, Net	$ 4,943,324	$ 102,570,406	$ 107,513,730
Other Assets	10,795,785	48,070,011	58,865,796
Total Assets	$ 15,739,109	$ 150,640,417	$ 166,379,526
Due to University	$ -	$ 3,810,900	$ 3,810,900
Long-Term Debt	-	122,420,000	122,420,000
Other Liabilities	728,050	9,006,955	9,735,005
Total Liabilities	$ 728,050	$ 135,237,855	$ 135,965,905
Net Assets:			
Unrestricted	$ 15,011,059	$ (6,040,428)	$ 8,970,631
Temporarily Restricted	-	7,465,586	7,465,586
Permanently Restricted	-	13,977,404	13,977,404
Total Net Assets	$ 15,011,059	$ 15,402,562	$ 30,413,621

NOTE 2 CONDENSED COMPONENT UNITS INFORMATION (CONTINUED)

The following represents combining statement of activities for the component units for the year ended June 30, 2014:

	Association	Foundation	Total
Changes in Unrestricted Net Assets			
Revenues and Other Additions:			
Contributions	$ 597	$ 372,706	$ 373,303
Investment Income	20,163	-	20,163
Rental Income	-	14,413,755	14,413,755
Sales and Service	4,212,101	603,103	4,815,204
Student Activity Fees	2,222,518	-	2,222,518
Other Revenues	514,230	1,310,859	1,825,089
Net Assets Released from Restriction		2,649,293	2,649,293
Total Revenues and Other Additions	6,969,609	19,349,716	26,319,325
Expenses and Other Deductions:			
Program Services:			
Scholarships and Grants	-	1,538,096	1,538,096
Student Activities	3,117,794	-	3,117,794
University Stores	2,969,316	-	2,969,316
Housing	-	14,605,439	14,605,439
Other University Support	-	1,017,185	1,017,185
Management and General	279,605	511,248	790,853
Transfer of Surplus to University	-		-
Fundraising	-	869,640	869,640
Actuarial Losses on Annuities Payable		65,925	65,925
Total Expenses and Other Deductions	6,366,715	18,607,533	24,974,248
Increase in Unrestricted Net Assets	602,894	742,183	1,345,077
Changes in Temporarily Restricted Net Assets			
Contributions	-	1,138,452	1,138,452
Investment Income	-	3,717,265	3,717,265
Net Assets Released from Restrictions	-	(2,649,293)	(2,649,293)
Decrease in Temporarily Restricted Net Assets	-	2,206,424	2,206,424
Changes in Permanently Restricted Net Assets			
Contributions	-	1,100,465	1,100,465
INCREASE IN NET ASSETS	602,894	4,049,072	4,651,966
Net Assets - Beginning	15,011,059	15,402,562	30,413,621
NET ASSETS - ENDING	$ 15,613,953	$ 19,451,634	$ 35,065,587

NOTE 2 CONDENSED COMPONENT UNITS INFORMATION (CONTINUED)

The following represents combining statement of activities for the component units for the year ended June 30, 2013:

	Association	Foundation	Total
Changes in Unrestricted Net Assets			
Revenues and Other Additions:			
Contributions	$ 355	$ 114,916	$ 115,271
Investment Income	22,547	-	22,547
Rental Income	-	13,897,390	13,897,390
Sales and Service	4,560,251	759,045	5,319,296
Student Activity Fees	2,215,074	-	2,215,074
Other Revenues	536,680	2,184,910	2,721,590
Net Assets Released from Restriction	-	1,339,777	1,339,777
Total Revenues and Other Additions	7,334,907	18,296,038	25,630,945
Expenses and Other Deductions:			
Program Services:			
Scholarships and Grants	-	2,201,796	2,201,796
Student Activities	3,366,070	-	3,366,070
University Stores	3,374,851	-	3,374,851
Housing	-	14,335,702	14,335,702
Other University Support	-	1,557,088	1,557,088
Management and General	278,888	530,010	808,898
Transfer of Surplus to University	-	332,878	332,878
Fundraising	-	829,550	829,550
Actuarial Losses on Annuities Payable	-	100,333	100,333
Total Expenses and Other Deductions	7,019,809	19,887,357	26,907,166
Change in Unrestricted Net Assets	315,098	(1,591,319)	(1,276,221)
Changes in Temporarily Restricted Net Assets			
Contributions	-	969,393	969,393
Investment Income	-	2,620,677	2,620,677
Net Assets Released from Restrictions	-	(1,339,777)	(1,339,777)
Increase in Temporarily Restricted Net Assets	-	2,250,293	2,250,293
Changes in Permanently Restricted Net Assets			
Contributions	-	1,089,273	1,089,273
INCREASE IN NET ASSETS	315,098	1,748,247	2,063,345
Net Assets - Beginning	14,695,961	13,654,315	28,350,276
NET ASSETS - ENDING	$ 15,011,059	$ 15,402,562	$ 30,413,621

NOTE 3 DEPOSITS AND INVESTMENTS

The University predominantly maintains its cash balances on deposit with the State System. The State System maintains these and other State System funds on a pooled basis. Although the State System pools its funds in a manner similar to an internal investment pool, individual State System entities do not hold title to any assets in the fund. The State System as a whole owns title to all assets. The University does not participate in the unrealized gains or losses on the investment pool; instead, the University holds shares equal to its cash balance. Each share has a constant value of $1, and income is allocated based on the number of shares owned. Revenue realized at the State System level is calculated on a daily basis and posted monthly to each entity's account as interest income. The University's portion of pooled funds totals $73,449,797 and $77,785,595 at June 30, 2014 and 2013, respectively.

Board Policy 1986-02-A, *Investment*, authorizes the State System to invest in obligations of the U.S. Treasury, repurchase agreements, commercial paper, certificates of deposit, banker's acceptances, U.S. money market funds, municipal bonds, corporate bonds, collateralized mortgage obligations (CMOs), asset-backed securities, and internal loan funds. Restricted nonexpendable amounts and amounts designated by the Board or university trustees may be invested in the investments described above, as well as corporate equities and approved pooled common funds. For purposes of convenience and expedience, the University uses local financial institutions for activities such as cash deposits. In addition, the University may accept gifts of investments from donors as long as risk is limited to the investment itself. Restricted gifts of investments fall outside the scope of the investment policy.

In keeping with its legal status as a system of public universities, the State System recognizes a fiduciary responsibility to invest all funds prudently in accordance with ethical and prevailing legal standards. Investment decisions are intended to minimize risk while maximizing asset value. Adequate liquidity is maintained so that assets can be held to maturity. High quality investments are preferred. Reasonable portfolio diversification is pursued to ensure that no single security or investment or class of securities or investments will have a disproportionate or significant impact on the total portfolio. Investments may be made in U.S. dollar-denominated debt of high quality U.S. and non-U.S. corporations. Investment performance is monitored on a frequent and regular basis to ensure that objectives are attained and guidelines are followed.

Safety of principal and liquidity are the top priorities for the investment of the State System's operating funds. Within those guidelines, income optimization is pursued. Speculative investment activity is not allowed; this includes investing in asset classes such as commodities, futures, short-sales, equities, real or personal property, options, venture capital investments, private placements, letter stocks, and unlisted securities.

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

The State System's operating funds are invested and reinvested in the following types of instruments with qualifications as provided. (See Board Policy 1986-02-A, Investment, for a complete list of and more details on permissible investments and associated qualifications.)

Investment Categories	Qualifications/Moody's Ratings Requirements
United States Government Securities	Together with repurchase agreements must comprise at least 20% of the market value of the fund.
Repurchase Agreements	Underlying collateral must be direct obligations of the United States Treasury and be in PASSHE's or its agent's custody.
Commercial Paper	P-1 and P-2 notes only, with no more than 5% and 3%, respectively, of the market value of the fund invested in any single issuer. Total may not exceed 20% of the market value of the fund.
Municipal Bonds	Bonds must carry long-term debt rating of A or better. Total may not exceed 20% of the market value of the fund.
Corporate Bonds	15% must carry long-term debt rating of A or better; 5% may be rated Baa2 or better. Total may not exceed 20% of the market value of the fund.
Collateralized Mortgage Obligations (CMOs)	Must be rated Aaa and guaranteed by U.S. government. Total may not exceed 20% of the market value of the fund.
Asset-Backed Securities	Must be Aaa rated. Total may not exceed 20% of the market value of the fund, with no more than 5% invested in any single issuer.
System Investment Fund Loans (university loans and bridge notes)	Total may not exceed 20% of the market value of the fund, and loan terms may not exceed 5 years.

CMO Risk: CMOs are sometimes based on cash flows from interest-only (IO) payments or principal-only (PO) payments and are sensitive to prepayment risks. The CMOs in the State System's portfolio do not have IO or PO structures; however, they are subject to extension or contraction risk based on movements in interest rates.

Moody's Rating: The State System uses ratings from Moody's Investors Service, Inc., to indicate the credit risk of investments, i.e., the risk that an issuer or other counterparty to an investment will not fulfill its obligations. An *Aaa* rating indicates the highest quality obligations with minimal credit risk. Ratings that begin with *Aa* indicate high quality obligations subject to very low credit risk; ratings that begin with *A* indicate upper-medium-grade obligations subject to low credit risk; and ratings that begin with *Baa* indicate medium-grade obligations, subject to moderate credit risk, that may possess certain speculative characteristics. Moody's appends the ratings with numerical modifiers *1*, *2*, and *3*, with *1* indicating a higher ranking and *3* indicating a lower ranking within the category. For short-term obligations, a rating of *P-1* indicates that issuers have a superior ability to repay short-term debt obligations, and a rating of P-2 indicates that issuers have a strong ability to repay short-term debt obligations.

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Modified Duration: The State System denotes interest rate risk, or the risk that changes in interest rates will affect the fair value of an investment, using modified duration. Duration is a measurement in years of how long it takes for the price of a bond to be repaid by its internal cash flows. Modified duration takes into account changing interest rates. The State System maintains a portfolio duration target of 1.8 years with an upper limit of 2.5 years for the intermediate-term component of the operating portion of the investment portfolio. The State System's duration targets are not applicable to its long-term investments.

On June 30, 2014 and 2013, the carrying amount of the University's demand and time deposits were $1,815,131 and $1,947,398, respectively, as compared to bank balances of $1,864,408 and $2,145,015, respectively. The differences are primarily caused by items in transit and outstanding checks. Of the bank balances at June 30, 2014 and 2013, $250,000 was covered by federal government depository insurance; and $1,614,408 and $1,895,015, respectively, was uninsured and uncollateralized but covered under the collateralization provisions of the Commonwealth of Pennsylvania Act 72 of 1971 (Act 72), as amended. Act 72 allows banking institutions to satisfy the collateralization requirements by pooling eligible investments to cover total public funds on deposit in excess of federal insurance. Such pooled collateral is pledged with the financial institutions' trust departments. At June 30, 2014 and 2013, none of the University's demand and time deposits are exposed to foreign currency risk.

NOTE 4 INVESTMENT-COMPONENT UNIT

The fair value of investments at June 30 is as follows:

	2014	2013
Equity Securities	$ 18,716,578	$ 15,921,104
Fixed Income	4,445,174	4,250,843
Real Estate	188,400	188,400
Total	$ 23,350,152	$ 20,360,347

NOTE 5 CAPITAL ASSETS, NET

Capital assets acquired or constructed by the University through the expenditures of University funds or the incurrence of debt consist of the following:

	2014					
	Life	Beginning Balance July 1, 2013	Additions	Retirements	Reclassifications	Ending Balance June 30, 2014
Land		$ 11,701	$ -	$ -	$ -	$ 11,701
Construction in Progress		1,201,564	715,093		(701,669)	1,214,988
Total Capital Assets Not being Depreciated		1,213,265	715,093	-	(701,669)	1,226,689
Buildings, including Improvements	40	148,588,982	2,012,925	-	547,915	151,149,822
Improvements Other than Buildings		13,191,107	980,007	-	153,754	14,324,868
Furnishings and Equipment Including Capital Leases	Varies	20,867,117	328,296	(730,267)	-	20,465,146
Library Books	10	7,275,618	77,199	(763,869)	-	6,588,948
Total Capital Assets being Depreciated		189,922,824	3,398,427	(1,494,136)	701,669	192,528,784
Less: Accumulated Depreciation:						
Buildings, including Improvements		(41,391,545)	(5,255,315)	-	-	(46,646,860)
Improvements Other than Buildings		(6,836,545)	(646,698)	-	-	(7,483,243)
Furnishings and Equipment Including Capital Leases		(14,532,127)	(1,240,522)	722,233	-	(15,050,416)
Library Books		(6,704,551)	(81,407)	763,869	-	(6,022,089)
Total Accumulated Depreciation		(69,464,768)	(7,223,942)	1,486,102	-	(75,202,608)
Total Capital Assets being Depreciated, Net		120,458,056	(3,825,515)	(8,034)	701,669	117,326,176
Capital Assets, Net		$ 121,671,321	$ (3,110,422)	$ (8,034)	$ -	$ 118,552,865

NOTE 5 CAPITAL ASSETS, NET (CONTINUED)

	2013					
	Life	Beginning Balance July 1, 2012	Additions	Retirements	Reclassifications	Ending Balance June 30, 2013
Land		$ 11,701	$ -	$ -	$ -	$ 11,701
Construction in Progress		2,691,981	813,141	-	(2,303,558)	1,201,564
Total Capital Assets Not being Depreciated		2,703,682	813,141	-	(2,303,558)	1,213,265
Buildings, including Improvements	40	141,549,775	4,735,649	-	2,303,558	148,588,982
Improvements Other than Buildings		13,191,107	-	-	-	13,191,107
Furnishings and Equipment, including Capital Leases	Varies	20,387,137	912,321	(432,341)	-	20,867,117
Library Books	10	7,599,242	125,037	(448,661)	-	7,275,618
Total Capital Assets being Depreciated		182,727,261	5,773,007	(881,002)	2,303,558	189,922,824
Less: Accumulated Depreciation:						
Buildings, including Improvements		(36,178,596)	(5,212,949)	-	-	(41,391,545)
Improvements Other than Buildings		(6,212,311)	(624,234)	-	-	(6,836,545)
Furnishings and Equipment, including Capital Leases		(12,957,707)	(1,994,508)	420,088	-	(14,532,127)
Library Books		(6,934,106)	(110,429)	339,984	-	(6,704,551)
Total Accumulated Depreciation		(62,282,720)	(7,942,120)	760,072	-	(69,464,768)
Total Capital Assets being Depreciated, Net		120,444,541	(2,169,113)	(120,930)	2,303,558	120,458,056
Capital Assets, Net		$ 123,148,223	$ (1,355,972)	$ (120,930)	$ -	$ 121,671,321

NOTE 6 LEASES

The University has entered into operating leases for certain office and classroom space on a year-to-year basis. Total rent expense for operating leases was $135,170 and $158,640 for the years ended June 30, 2014 and 2013, respectively. Future lease payments for operating leases are as follows:

Year Ending June 30,	Amount
2015	$ 40,940
2016	20,000
Total	$ 60,940

NOTE 7 ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following at June 30:

	2014	2013
Employees	$ 7,960,217	$ 7,674,743
Supplies and Services	1,871,186	1,905,009
Other	885,984	1,054,257
Interest	72,014	89,149
Total	$ 10,789,401	$ 10,723,158

NOTE 8 UNEARNED REVENUE

Unearned revenue consisted of the following at June 30:

	2014	2013
Grants	$ 412,394	$ 465,038
Students	4,332,326	4,005,781
Auxiliary	1,972,500	2,395,000
Other	43,271	75,105
Total	$ 6,760,491	$ 6,940,924

During the year ended June 30, 2011, the University entered into a contract with their food service provider. This contract required the food service provider to make an investment in the University at the inception of the contract to be recognized over a 10-year period. The remaining unamortized amount as of June 30, 2014 and 2013 was $1,972,500 and $2,395,000, respectively, and is presented as unearned auxiliary revenue.

NOTE 9 BONDS PAYABLE

Bonds payable consist of tax-exempt revenue bonds issued by the State System through the Pennsylvania Higher Education Facilities Authority (PHEFA). In connection with the bond issuances, the State System entered into a loan agreement with PHEFA on behalf of the University under which the State System has pledged its full faith and credit for the repayment of the bonds. The loan constitutes an unsecured general obligation of the State System. The State System's Board of Governor's has allocated portions of certain bond issuances to the University to undertake various capital projects or to advance refund certain previously issued bonds. The University is responsible for the repayment of principal and interest on its applicable portion of each obligation. The various bond series allocated to the University for the years ended June 30, 2014 and 2013 are as follows:

	2014				
	Weighted Average Interest Rate	Balance July 1, 2013	Bonds Issued	Bonds Redeemed	Balance June 30, 2014
Series AC issued in July 2006	4.89 %	$ 1,319,746	$ -	$ (82,942)	$ 1,236,804
Series AG issued in July 2007	4.75 %	2,413,646		(564,896)	1,848,750
Series AH issues in July 2008	4.70 %	8,441,737		(492,306)	7,949,431
Series AI issued in August 2008	4.10 %	331,875		(22,243)	309,632
Series AJ issued in July 2009	4.89 %	9,836,545		(430,179)	9,406,366
Series AL issued in July 2010	5.00 %	14,936,798		(1,081,263)	13,855,535
Series AM issued in July 2011	4.68 %	10,606,948		(6,238,819)	4,368,129
Total Bonds Payable		$ 47,887,295	$ -	$ (8,912,648)	$ 38,974,647

	2013				
	Weighted Average Interest Rate	Balance July 1, 2012	Bonds Issued	Bonds Redeemed	Balance June 30, 2013
Series AC issued in July 2006	4.89 %	$ 1,398,793	$ -	$ (79,047)	$ 1,319,746
Series AG issued in July 2007	4.75 %	2,957,144	-	(543,498)	2,413,646
Series AH issues in July 2008	4.70 %	8,910,271	-	(468,534)	8,441,737
Series AI issued in August 2008	4.10 %	353,412	-	(21,537)	331,875
Series AJ issued in July 2009	4.89 %	10,246,399	-	(409,854)	9,836,545
Series AL issued in July 2010	5.00 %	15,966,211	-	(1,029,413)	14,936,798
Series AM issued in July 2011	4.68 %	10,979,252	-	(372,304)	10,606,948
Total Bonds Payable		$ 50,811,482	$ -	$ (2,924,187)	$ 47,887,295

NOTE 9 BONDS PAYABLE (CONTINUED)

The State System's outstanding bonds are assigned an Aa3 rating from Moody's Investors Service, Inc. In April 2014, Moody's revised the State System's outlook from *stable* to *negative*. The State System's outstanding bonds are assigned an AA rating from Fitch Ratings. In April 2014, Fitch also revised the State System's outlook from *stable* to *negative*.

The University participates in the State System's Academic Facilities Renovation Bond Program (AFRP), which was established for the purpose of renovating the academic facilities across the State System. This program will provide $100,000,000 in funding over the next several years. The State System will issue bonds to provide a pool for funding for AFRP ($33,625,385 and $37,540,089 was outstanding as of June 30, 2014 and 2013, respectively). Universities can request funds for AFRP projects in accordance with their pre-approved amount of funding from the pool. Repayments to the pool are made annually based on the University's proportionate share of the total allocation of funds under the program. As of June 30, 2014 and 2013, the balance owed by the University to the State System's AFRP pool of funding was $2,777,890 and $3,085,603, respectively.

Principal and interest maturities for each of the next five years and in subsequent five-year periods ending June 30 are as follows:

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NOTE 9 BONDS PAYABLE (CONTINUED)

Series		2015	2016	2017	2018	2019	2020-2024	2025-2029	Thereafter	Total
AC	Principal	$ 87,067	$ 91,420	$ 96,002	$ 100,814	$ 105,855	$ 614,506	$ 141,140	$ -	$ 1,236,804
	Interest	60,113	55,760	51,189	46,389	41,348	121,827	6,175	-	382,801
	Total	147,180	147,180	147,191	147,203	147,203	736,333	147,315	-	1,619,605
AG	Principal	584,154	616,250	648,346	-	-	-	-	-	1,848,750
	Interest	92,438	63,230	32,417	-	-	-	-	-	188,085
	Total	676,592	679,480	680,763	-	-	-	-	-	2,036,835
AH	Principal	516,078	542,634	569,801	598,361	628,313	3,217,502	1,876,742	-	7,949,431
	Interest	370,609	344,805	317,673	289,183	259,265	857,356	227,704		2,666,595
	Total	886,687	887,439	887,474	887,544	887,578	4,074,858	2,104,446	-	10,616,026
AI	Principal	22,949	23,655	24,714	25,773	26,832	151,462	34,247	-	309,632
	Interest	13,002	12,142	11,195	10,207	9,176	28,189	1,541	-	85,452
	Total	35,951	35,797	35,909	35,980	36,008	179,651	35,788	-	395,084
AJ	Principal	451,894	474,664	497,433	522,647	548,916	3,184,252	3,726,560	-	9,406,366
	Interest	453,839	431,244	407,511	382,639	356,507	1,342,346	531,143	-	3,905,229
	Total	905,733	905,908	904,944	905,286	905,423	4,526,598	4,257,703	-	13,311,595
AL	Principal	1,135,008	1,191,557	1,251,156	580,493	609,938	3,534,839	4,510,741	1,041,803	13,855,535
	Interest	692,777	636,026	576,448	513,891	484,866	1,935,678	959,416	52,090	5,851,192
	Total	1,827,785	1,827,583	1,827,604	1,094,384	1,094,804	5,470,517	5,470,157	1,093,893	19,706,727
AM	Principal	172,151	180,617	189,789	199,314	207,427	1,203,291	1,512,315	703,225	4,368,129
	Interest	204,470	195,863	186,832	177,343	169,370	679,961	371,112	49,610	2,034,561
	Total	376,621	376,480	376,621	376,657	376,797	1,883,252	1,883,427	752,835	6,402,690
Total	Principal	2,969,301	3,120,797	3,277,241	2,027,402	2,127,281	11,905,852	11,801,745	1,745,028	38,974,647
	Interest	1,887,248	1,739,070	1,583,265	1,419,652	1,320,532	4,965,357	2,097,091	101,700	15,113,915
	Total	$ 4,856,549	$ 4,859,867	$ 4,860,506	$ 3,447,054	$ 3,447,813	$ 16,871,209	$ 13,898,836	$ 1,846,728	$ 54,088,562

NOTE 10 OBLIGATION UNDER CAPITAL LEASES

The University has incurred obligations under the terms of capital lease arrangements in 2010. The obligations are collateralized by the related leased equipment.

The present value of future net minimum lease payments has been classified in the accompanying financial statements at June 30, 2014 and 2013 as follows:

	2014	2013
Current Maturities of Capital Lease Obligations	$ 21,034	$ 35,042
Long-term Maturities of Capital Lease Obligations	9,830	33,179
Total	$ 30,864	$ 68,221

The following is a schedule, by year, of minimum, lease payments under the capital leases, together with the present value of the net minimum lease payments as of June 30, 2014:

Year Ending June 30,	Amount
2015	$ 21,962
2016	10,071
Total Minimum Lease Payments	32,033
Amounts Representing Interest	(1,169)
Present Value of Net Minimum Lease Payments	$ 30,864

NOTE 11 COMPENSATED ABSENCES AND POSTRETIREMENT BENEFITS

Compensated absences and postretirement benefits for the years ended June 30, 2014 and 2013 are as follows:

	2014		2013	
	Current	Noncurrent	Current	Noncurrent
Compensated Absences	$ 514,405	$ 8,176,799	$ 419,001	$ 8,151,818
Post-Retirement Benefit Obligations	4,452,000	73,451,388	4,216,000	67,699,550
Total	$ 4,966,405	$ 81,628,187	$ 4,635,001	$ 75,851,368

Changes in the compensated absence liability were as follows:

	2014	2013
Balance at July 1	$ 8,570,819	$ 8,181,490
Current Change in Estimate	672,500	1,030,436
Payouts	(552,115)	(641,107)
Balance at June 30	$ 8,691,204	$ 8,570,819

NOTE 11 COMPENSATED ABSENCES AND POSTRETIREMENT BENEFITS (CONTINUED)

University employees who retire after meeting specified service and age requirements become eligible for participation in one of two defined healthcare benefits plans. These plans include hospital, medical/surgical, and major medical coverage, and provide a Medicare supplement for individuals over age 65.

System Plan

Plan Description

Employee members of the Association of Pennsylvania State College and University Faculties (APSCUF), the State College and University Professional Association (SCUPA), Security Police and Fire Professionals of America (SPFPA), Pennsylvania Nurses Association (PNA), and nonrepresented employees participate in a single-employer defined benefit healthcare plan administered by the State System (the "System Plan"). The System Plan provides eligible retirees and their eligible dependents with healthcare benefits as well as tuition waivers at any of the State System's universities. Act 188 empowers the Board to establish and amend benefit provisions. Since the System Plan is unfunded and has no assets, no financial report is prepared.

Funding Policy

The contribution requirements of plan members and the State System are established and may be amended by the Board. The System Plan is funded on a pay-as-you-go basis; i.e., premiums are paid to an insurance company and various health maintenance organizations to fund the healthcare benefits to current retirees. Tuition waivers are provided by the retiree's sponsoring University as they are granted. The State System paid premiums of $44,201,000 and $42,975,000 for the fiscal years ended June 30, 2014 and 2013, respectively. Plan members receiving benefits contribute at various rates, depending upon when they retire, whether they are eligible for Medicare, the contribution rate in effect on the day of their retirement, the contribution rate for active employees, and applicable collective bargaining agreements. Following are the contribution rates of plan members as of June 30, 2014:

- Plan members receiving benefits who retired prior to July 1, 2005, are not required to make contributions.
- Nonfaculty coaches who retired July 1, 2005, pay a percentage of their final annual gross salary at the time of retirement.
- Other eligible annuitants who retired on or after July 1, 2005, and prior to July 1, 2008, and who are under age 65 pay 10% of the plan premium in effect on the day of retirement. When annuitants become eligible for Medicare, they pay 15% of the current cost of their Medicare coverage and current cost of coverage for covered dependents. The rate changes annually, and future adjustments will apply if contributions increase for active employees.

NOTE 11 COMPENSATED ABSENCES AND POSTRETIREMENT BENEFITS (CONTINUED)

System Plan (Continued)

Funding Policy (Continued)

- Other eligible annuitants who retire after July 1, 2008, pay 15% of the plan premium in effect on their retirement date. Future adjustments will apply if contributions increase for active employees.

Total contributions made by plan members were $3,969,000 and $3,607,000 or approximately 8.2% and 7.7% of the total premiums for the fiscal years ended June 30, 2014 and 2013, respectively.

Annual OPEB Cost and Net OPEB Obligation

The University's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45 , *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. The ARC represents a level of funding that, if paid annually, is projected to cover normal cost plus the annual portion of the unfunded actuarial liability amortized over thirty years. The following shows the components of the University's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in net OPEB obligation:

Annual Required Contribution	$ 9,599,000
Interest on Net OPEB Obligation	2,851,000
Adjustment to Annual Required Contribution	(3,597,000)
Annual OPEB Cost	8,853,000
Contributions Made	(2,865,162)
Increase in Net OPEB Obligation	5,987,838
Net OPEB Obligation at July 1, 2013	71,915,550
Net OPEB Obligation at June 30, 2014	$ 77,903,388

NOTE 11 COMPENSATED ABSENCES AND POSTRETIREMENT BENEFITS (CONTINUED)

Annual OPEB Cost and Net OPEB Obligation (Continued)

The University's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for June 30, 2014, and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2014	$ 8,853,000	32.4 %	$ 77,903,388
June 30, 2013	8,463,000	33.7 %	71,915,550
June 30, 2012	8,616,000	33.4 %	66,301,530

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2013, the most recent actuarial valuation date was as follows:

Actuarial Accrued Liability (AAL)	$ 110,631,000
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	$ 110,631,000
Funded Ratio (Actuarial Value of Plan Assets/AAL)	- %
Covered Payroll (Active Plan Members)	$ 44,138,590
UAAL as a Percentage of Covered Payroll	250.6 %

NOTE 11 COMPENSATED ABSENCES AND POSTRETIREMENT BENEFITS (CONTINUED)

Funded Status and Funding Progress (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2013 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.25% investment rate of return, which is the expected rate to be earned on the State System's operating portfolio, and annual healthcare cost trend rate of 7.8% for pre-Medicare and 6.8% for post-Medicare, initially, reduced by decrements to an ultimate rate of 5.0% by 2025. The UAAL is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at July 1, 2013, was 22 years.

Retired Employees Health Program

Plan Description

Employee members of the American Federation of State, County and Municipal Employees (AFSCME); Pennsylvania Doctors Alliance (PDA); and Pennsylvania Social Services Union (PSSU) participate in the Retired Employees Health Program (REHP), which is sponsored by the Commonwealth and administered by the Pennsylvania Employee Benefits Trust Fund (PEBTF). The REHP provides eligible retirees and their eligible dependents with health care benefits. Benefit provisions are established and may be amended under pertinent statutory authority. The REHP neither issues a stand-alone financial report nor is it included in the report of a public employee retirement system or other entity.

NOTE 11 COMPENSATED ABSENCES AND POSTRETIREMENT BENEFITS (CONTINUED)

Funding Policy

The contribution requirements of plan members covered under collective bargaining agreements are established by the collective bargaining agreements. The contribution requirements of nonrepresented plan members and contributing entities are established and may be amended by the Commonwealth's Office of Administration and the Governor's Budget Office. Plan members who enrolled prior to July 1, 2005, are not required to make contributions. Plan members who enrolled after July 1, 2005, contribute a percentage of their final salary, the rate of which varies based on the plan member's enrollment date. Agency member (employer) contributions are established primarily on a pay-as-you-go basis. In fiscal year 2013/14, the State System contributed $305 for each current active employee per biweekly pay period. The State System made contributions of $28,584,000, $25,638,000, and $23,228,000 for the fiscal years ended June 30, 2014, 2013, and 2012, respectively, which equaled the required contributions for the year. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

NOTE 12 PENSION BENEFITS

The Public School Employees' Retirement System (PSERS) and the Commonwealth of Pennsylvania State Employees' Retirement System (SERS) are governmental cost-sharing multiple-employer defined benefit plans. The Alternative Retirement Plan (ARP) is a defined contribution plan administered by the State System.

PSERS provides retirement and disability benefits, legislative-mandated ad hoc cost-of-living adjustments, and healthcare insurance premium assistance to qualifying annuitants. The Public School Employees' Retirement Code (Act No. 96 of October 2, 1975, as amended) (24 Pa. C.S. Section 8101-9102) is the authority by which benefit provisions are established and may be amended. The contribution policy for PSERS is established in the Public School Employees' Retirement Code and requires contributions by active members, the employer (University), and the Commonwealth of Pennsylvania. Contribution rates for most active members are between 5.25% and 7.50% of their qualifying compensation, depending upon when the active member was hired and what benefits class was selected. New members hired after July 1, 2011, have a one-time election to choose a 10.3% contribution rate. The contribution rate for the University is an actuarially determined rate. The rate was 8.465% of annual covered payroll at June 30, 2014. The University's contributions to PSERS for the years ended June 30, 2014, 2013 and 2012 were $342,243, $268,993 and $173,374, respectively, equal to the required contractual contribution. PSERS issues a comprehensive annual financial report that includes financial statements and required supplementary information for the plan. A copy of the report may be obtained from the Publications page of the PSERS website, www.psers.state.pa.us, or by writing to Public School Employees' Retirement System, 5 North Fifth Street, Harrisburg, Pennsylvania 17101-1905.

NOTE 12 PENSION BENEFITS (CONTINUED)

SERS provides retirement, death, and disability benefits, and legislative-mandated ad hoc cost-of-living adjustments. Article II of the Commonwealth of Pennsylvania's Constitution assigns the authority to establish and amend the benefit provisions of the plan to the General Assembly. The contribution policy for SERS, as established by the State Employees' Retirement Code, requires contributions by active members and the employer (University). The contribution rate for both active members and the University depends upon when the active member was hired and what benefits class is selected. Contribution rates for most active members are between 5.0% and 6.25% of their qualifying compensation. New members hired after January 1, 2011, have a one-time election to choose a 9.3% contribution rate. The University contributed at actuarially determined rates of between 10.46% and 15.12% of an active member's annual covered payroll at June 30, 2014. The University's contribution to SERS for the years ended June 30, 2014, 2013 and 2012 were \$3,075,080, \$2,140,902 and \$1,447,636, respectively, equal to the required contractual contribution. SERS issues a publicly available annual financial report that includes financial statements and required supplementary information for the plan. A copy of the report may be obtained from the SERS website, www.sers.state.pa.us, or by writing to Commonwealth of Pennsylvania, State Employees' Retirement System, 30 North Third Street, Suite 150, Harrisburg, Pennsylvania 17101.

Because the ARP is a defined contribution plan, benefits equal amounts contributed to the plan plus investment earnings. Act 188 empowers the Board of Governors to establish and amend benefit provisions. The State Employees' Retirement Code establishes the employer contribution for the ARP, while the Board establishes the employee contribution rates. Active members contribute at a rate of 5% of their qualifying compensation. The University's contribution rate on June 30, 2014 and 2013 was 9.29% of qualifying compensation. The contributions to the ARP for the years ended June 30, 2014 and 2013 were \$3,320,060 and \$3,236,640, respectively, from the University and \$1,772,363 and \$1,733,248, respectively, from active members.

NOTE 13 WORKERS' COMPENSATION

The University participates in the State System's self-insured workers' compensation plan. For claims occurring prior to July 1, 1995, the University is responsible for claims less than \$100,000; for claims occurring on or after July 1, 1995, the University is responsible for claims less than \$200,000. Claims in excess of the self-insurance limits are funded through the Workers' Compensation Collective Reserve Fund (Reserve Fund), to which the University contributes in the amount determined by an independent actuarial study. Based on updated actuarial studies, the University contributed \$145,483 and \$124,308 to the Reserve Fund for the years ended June 30, 2014 and 2013, respectively.

NOTE 13 WORKERS' COMPENSATION (CONTINUED)

The liability for claims under the self-insurance limit for the years ended June 30, 2014 and 2013 were $811,385 and $437,783, respectively. Changes in the University's claims liability amount for fiscal years 2014 and 2013 were:

Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2014	$ 473,783	$ 641,871	$ (304,269)	$ 811,385
2013	$ 494,720	$ 456,555	$ (477,492)	$ 473,783

NOTE 14 RELATED PARTY TRANSACTIONS

Alumni Association

Slippery Rock University Alumni Association (the "Alumni Association") is a non-profit association formed to promote the welfare of the University by initiating and/or participating in fund raising drives aimed at providing scholarship assistance, research fellowships and grants, and additional facilities to meet special cultural, research or athletic needs. Since the Alumni Association operates under an independent governing board and management, the financial activity of the Alumni Association is not included in the University's financial statements.

Based upon internal financial statements, the Alumni Association had net assets of $2,254,418 at June 30, 2014 and $1,297,456 at June 30, 2013.

Slippery Rock University Foundation (the "Foundation")

The Foundation, which is a component unit of the University, was organized for the purpose of raising private support, and managing funds which are used solely for the benefit and support of the University. The Foundation does this by raising private support to provide the University with resources not available through normal system funding, in accordance with restrictions, if any, imposed by donors. The primary source of income to the Foundation are contributions from both individual and corporate donors, investment income, and camp fees. The Foundation also has oversight and management of campus student housing complexes. Although the University does not control the timing or amount of receipts from the Foundation, the majority of the resources and income thereon is restricted for the activities of the University by donors. As of June 30, 2014 and 2013, the Foundation held $15,077,869 and $13,977,404 of permanently restricted net assets for the benefit of the University. Permanently restricted net assets are primarily comprised of scholarships.

NOTE 14 RELATED PARTY TRANSACTIONS (CONTINUED)

Slippery Rock University Foundation (the "Foundation") (Continued)

The Foundation annually agrees with the University to manage the investment of monies received from various sources under the fiduciary agreement. The amount due to the University under this agreement as of June 30, 2014 and 2013 was $2,571,519 and $3,811,201, respectively. During the 2014 and 2013 fiscal years, the Foundation provided the following support to the University:

	2014	2013
Scholarships	$ 1,538,096	$ 2,201,796
Support of University Programs	1,017,185	1,557,088

The Foundation entered into an agreement with the University to provide office space, management and accounting personnel, computer and office equipment, and supplies at no cost. The total in-kind services provided to the Foundation by the University amounted to $231,797 and $239,798 in 2014 and 2013, respectively.

For the years ended June 30, 2014 and 2013, the University paid the Foundation $959,500 for the cost of employee's salaries, benefits, and other expenses related to comprehensive fundraising services.

Slippery Rock Student Government Association (the "Association")

The Association, which is a component unit of the University, was organized to provide student services and to promote and support educational cultural and recreational activities for the students of the University. The Association primarily conducts student activity fee supported organizations, bookstore operations, vending machine operations, child day care and Pre-K Counts operations. During the years ended June 30, 2014 and 2013, the Association received $2,222,518 and $2,215,074, respectively, in student activity fees from the University.

NOTE 15 CONTINGENCIES

Authorized expenditures for services, supplies, equipment, and construction projects unexpended as of June 30, 2014 and 2013 were $1,677,828 and $2,824,128, respectively.

The nature of the education industry is such that, from time to time, the University is exposed to various risks of loss related to torts; alleged negligence; acts of discrimination; breach of contract; labor disputes; disagreements arising from the interpretation of laws or regulations; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. While some of these claims may be for substantial amounts, they are not unusual in the ordinary course of providing educational services in a higher education system.

NOTE 15 CONTINGENCIES (CONTINUED)

The University is self-insured for workers' compensation up to stated limits (see Note 13). For all other risks of loss, the University pays annual premiums to the Commonwealth to participate in its Risk Management Program. The University does not participate in any public entity risk pools, and does not retain risk related to any aforementioned exposure, except for those amounts incurred relative to policy deductibles that are not significant. The University has not significantly reduced any of its insurance coverage from the prior year. It is not expected that the resolution of any outstanding claims and litigation will have a material adverse effect on the accompanying financial statements.

NOTE 16 TERMINATION BENEFITS

In March 2013, the State System's Board of Governors approved a Voluntary Retirement Incentive Program for APSCUF employees meeting certain age and service requirements. Eligible faculty who indicated their intent to retire by May 31, 2013, and eligible coaches who indicated their intent to retire by June 28, 2013, qualified for a cash incentive payout between \$10,000 and \$30,000, depending on base salary and years of service. A total of 2 eligible University employees accepted the offer by signing a release and settlement agreement releasing the State System and the University from all legal claims related to their employment and retirement. For the year ended June 30, 2013, the University recorded an expense of \$53,000 for the cash incentive and \$4,000 for associated Social Security and Medicare taxes, for a total expense of \$57,000. The cash incentive is not eligible for retirement benefits.

SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS FOR THE SYSTEM PLAN AND REHP (OPEB)
JUNE 30, 2014 AND 2013
(UNAUDITED)

Schedule of Funding Progress for the System Plan (OPEB)
(In Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2011	$ -	$ 105,536	$ 105,536	- %	$ 43,311	243.7 %
July 1, 2012	-	106,643	106,643	- %	42,853	248.9 %
July 1, 2013	-	110,631	110,631	- %	44,139	250.6 %

Schedule of Funding Progress for the REHP (OPEB)
(In Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2011	$ 70,740	$ 12,907,790	$ 12,837,050	0.55 %	$ 3,858,000	334 %
July 1, 2012	71,630	12,843,700	12,772,070	0.56 %	4,130,000	309 %
July 1, 2013	80,060	13,234,040	13,151,980	0.62 %	4,264,000	308 %

The information above related to the Commonwealth's REHP as a whole; i.e., it is inclusive of all participating Commonwealth agencies and instrumentalities. Nearly all Commonwealth agencies and instrumentalities participate in the REHP.

CliftonLarsonAllen

CliftonLarsonAllen LLP
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Council of Trustees
Slippery Rock University of Pennsylvania of the
State System of Higher Education
Slippery Rock, Pennsylvania

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of Slippery Rock University of Pennsylvania of the State System of Higher Education ("University") for the year ended June 30, 2014, and have issued our report thereon dated October 30, 2014. We did not audit the financial statements of the discretely presented component units, which statements reflect 100% of the total assets and 100% of the total net assets as of June 30, 2014 and 100% of the revenues of the discretely presented component units for the year then ended. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based on the reports of the other auditors. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the University are described in Note 1 to the financial statements.

As described in Note 1, the University changed accounting policies related to the recording of bond issuance costs by adopting Statement of Governmental Accounting Standards (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities* in 2014. Bond issuance costs, which previously were netted against the associated bond payable, are now expensed in the period incurred. The amount of bond issuance costs that were restated as an expense in the current year's financial statements was $319,176

Also described in Note 1 are several other GASB Statements that the University will be required to adopt in future years. The most significant pending GASB Statement is GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the adoption of which will require the University to report its share of the pension liabilities that the Commonwealth of Pennsylvania State School Employees' Retirement System (SERS) and Public School Employees' Retirement System (PSERS) in fiscal year 2014/15. Although the University has not received an estimate of its share of the pension liabilities from either organization, the liabilities are expected to be significant and have a detrimental effect on its financial statements.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Council of Trustees
Slippery Rock University of Pennsylvania of the
State System of Higher Education

Accounting estimates

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

- Management's estimate of the allowance for doubtful student accounts receivable is based on the University's historical tuition and fees revenue, historical losses and periodic review of individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the useful lives of capital assets and related depreciation expense is based on the University's current and historical information available to management. We evaluated the key factors and assumptions used to develop the useful lives of capital assets and the related depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the compensated absences liability is based on current and historical information on employee vacation and leave balances, salary and wage rates and other pertinent information available to management. We evaluated the key factors and assumptions used to develop the compensated absences liability estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the postretirement benefits liability is based on actuarial calculations performed by a third party. We evaluated the key factors and assumptions used to develop the postretirement benefits liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

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

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures.

Council of Trustees
Slippery Rock University of Pennsylvania of the
State System of Higher Education

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such agreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the attached management representation letter dated October 30, 2014.

Management consultations with other independent accountants

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

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Audits of group financial statements

We noted no matters related to the group audit that we consider to be significant to the responsibilities of those charged with governance of the group.

Quality of component auditor's work

There were no instances in which our evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work.

Limitations on the group audit

There were no restrictions on our access to information of components or other limitations on the group audit.

Council of Trustees
Slippery Rock University of Pennsylvania of the
State System of Higher Education

Other information in documents containing audited financial statements

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

* * *

This communication is intended solely for the information and use of the Council of Trustees and management of the University and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Harrisburg, Pennsylvania
October 30, 2014

Slippery**Rock** University

Finance and Administrative Affairs

Accounting Services
Budget and Fiscal Planning
Contracts Management
Controller
Diversity and Equal Opportunity
Environmental Health and Safety
Facilities Services
Finance
Human Resources
Purchasing
Student Accounts

October 30, 2014

CliftonLarsonAllen LLP
945 East Park Drive, Suite 202
Harrisburg, PA 17111

This representation letter is provided in connection with your audits of the financial statements of Slippery Rock University of Pennsylvania of the State System of Higher Education ("University"), which comprise the respective financial position of the business-type activities and aggregate discretely presented component units as of June 30, 2014 and 2013, the respective changes in financial position, and, where applicable, cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

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

We confirm, to the best of our knowledge and belief, as of October 30, 2014, the following representations made to you during your audits of the financial statements as of and for the years ended June 30, 2014 and 2013.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 12, 2014, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. The financial statements include all properly classified funds and other financial information of the University and all component units required by U.S. GAAP to be included in the financial reporting entity.

- We acknowledge and have fulfilled our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

- We have identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions used in making those estimates, and we believe the estimates (including those measured at fair value) and the significant assumptions used in making those accounting estimates are reasonable.

- Significant estimates have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Significant estimates are estimates at the financial statement date that could change materially within the next year.

- Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

- All events occurring subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

- We have not identified or been notified of any uncorrected financial statement misstatements.

- The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

- Guarantees, if any, whether written or oral, under which the entity is contingently liable, if any, have been properly recorded or disclosed in accordance with U.S. GAAP.

- Arrangements with financial institutions involving repurchase, reverse repurchase, or securities lending agreements, compensating balances, or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements, have been properly recorded or disclosed in the financial statements.

- Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date and have been reduced, if necessary, to their estimated net realizable value.

- The methods and significant assumptions used to determine fair value of financial instruments resulted in a measure of fair value appropriate for financial statement measurement and disclosure purposes.

- We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

- Capital assets have been evaluated for impairment from any significant and unexpected decline in service utility. Impairment loss and insurance recoveries, if any, have been properly recorded.

- We believe that all material expenditures that have been deferred to future periods will be recoverable.

- We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefits (OPEB) liabilities and costs for financial accounting purposes are appropriate in the circumstances.

- We do not intend to withdraw from any multi-employer benefit plan.

- We do not plan to make frequent amendments to our pension or other postretirement benefit plans.

- Designations of net assets have been properly authorized, approved, and reflected in the financial statements.

Information Provided

- We have provided you with:
  - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters.
  - Additional information that you have requested from us for the purpose of the audit.
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - Complete minutes of the meetings of the Council of Trustees and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
  - All communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices, if any.
  - All communications from regulatory agencies, grantors, lenders, and other funding sources concerning noncompliance with the provisions of laws, regulations, contracts, and grant agreements.
- All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others when the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, grantors, regulators, or others.
- We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations and provisions of contracts and grant agreements, or abuse whose effects should be considered when preparing financial statements.
- We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.

- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

- The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as made known to you and disclosed in the financial statements.

- We have a process to track the status of audit findings and recommendations.

- We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

- We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the University, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities.

- There are no violations or possible violations of budget laws and regulations, including those pertaining to adopting, approving, and amending budgets, provisions of contracts and grant agreements, debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or for reporting on noncompliance.

- The entity has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

- We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.

- We are responsible for determining whether we have received, expended, or otherwise been the beneficiary of any federal awards during the period of this audit. Our federal awards expended, which were received directly from federal agencies or indirectly as a subrecipient, were in an amount that cumulatively totals from all sources $500,000 or more. For this representation, "award" means financial assistance and federal cost-reimbursement contracts that non-federal entities receive directly from federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, user grants, or contracts used to buy goods or services from vendors.

- We have followed all applicable laws and regulations in adopting, approving, and amending budgets.

- The financial statements include all component units. We have no joint ventures with an equity interest, other joint ventures, jointly governed organizations, and other related organizations.

- The financial statements properly classify all funds and activities.

- No funds or component units meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major. No other funds or component units are presented as major or particularly important to financial statement users.

- Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.

- Investments, derivative instruments, and land and other real estate held by endowments are properly valued.

- Provisions for uncollectible receivables have been properly identified and recorded.

- Expenses have been appropriately classified in or allocated to functions and programs in the statement of revenues, expenses, and changes in net position, and allocations have been made on a reasonable basis.

- Revenues are appropriately classified in the statement of revenues, expenses, and changes in net position as operating and nonoperating.

- Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

- Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.

- Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.

- We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available and have determined that net assets were properly recognized under the policy.

- We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

- As part of your audit, you prepared the draft financial statements and related notes. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your services; have made all management judgments and decisions; and have assumed all management responsibilities. We have evaluated the adequacy and results of the service. We have reviewed approved and accepted responsibility for those financial statements and related notes.

Signature/Title: ______ VP for F&A Date: 10/31/14

Signature/Title: Molly M Mercer / AVP Finance Date: 10-31-14

Signature/Title: ______ Controller Date: 10/31/14

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Council of Trustees
and Management of Slippery Rock University
of Pennsylvania of the State System of Higher Education
Slippery Rock, Pennsylvania

In planning and performing our audit of the financial statements of the business-type activities and the aggregate discretely presented component units of Slippery Rock University of Pennsylvania of the State System of Higher Education as of and for the year ended June 30, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the entity's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to fraud or error may occur and not be detected by such controls. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, the Council of Trustees, and others within the entity, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Harrisburg, Pennsylvania
October 30, 2014

Appendix 4.4

SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2015 AND 2014

SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
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YEARS ENDED JUNE 30, 2015 AND 2014

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INDEPENDENT AUDITORS' REPORT

Council of Trustees
Slippery Rock University of Pennsylvania
of the State System of Higher Education
Slippery Rock, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the business type activities and the aggregate discretely presented component units of Slippery Rock University of Pennsylvania of the State System of Higher Education ("University"), as of and for the years ended June 30, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of the discretely presented component units, Slippery Rock Student Government Association and Slippery Rock University Foundation, which represent 100 percent of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors whose reports have has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the reports of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business type activities and the aggregate discretely presented component units of the University as of June 30, 2015 and 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the University implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68 – *Accounting and Financial Reporting for Pensions* and related GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* for the year ended June 30, 2015. As a result of the implementation of GASB Statements No. 68 and 71, the University reported a restatement for the change in accounting principle and a summary of the restatement is presented in Note 1. Our auditors' opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the Schedules of Funding Progress for the System Plan and REHP (OPEB) on page 50 and the Schedules of Proportionate Share of Pension Liability (NPL) on page 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 30, 2015

SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
BALANCE SHEETS – PRIMARY INSTITUTION
JUNE 30, 2015 AND 2014

	2015	2014
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 78,557,421	$ 75,264,928
Accounts Receivable:		
Governmental Grants and Contracts	1,226,565	1,148,697
Students, Net of Allowance for Doubtful Accounts of $2,583,193 in 2015 and $2,408,946 in 2014	2,648,598	2,476,551
Other	153,431	71,706
Due from Component Unit	2,824,602	2,571,519
Inventories	497,562	503,774
Prepaid Expenses and Other Assets	254,634	201,694
Current Portion of Conversion Pay Receivable	9,101	13,309
Current Portion of Loans Receivable	729,993	674,007
Investment Income Receivable	97,987	86,602
Total Current Assets	86,999,894	83,012,787
NONCURRENT ASSETS		
Conversion Pay Receivable	3,671	4,484
Loans Receivable, Net	4,160,148	4,175,136
Capital Assets, Net	115,599,239	118,552,865
Total Noncurrent Assets	119,763,058	122,732,485
Total Assets	206,762,952	205,745,272
DEFERRED OUTFLOWS OF RESOURCES	4,648,317	12,385
Total Assets and Deferred Outflows of Resources	$ 211,411,269	$ 205,757,657

See accompanying Notes to Financial Statements.

SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
BALANCE SHEETS – PRIMARY INSTITUTION (CONTINUED)
JUNE 30, 2015 AND 2014

	2015	2014
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	$ 11,352,096	$ 10,789,401
Unearned Revenue	5,426,021	5,205,241
Students' Deposits	731,644	633,662
Other Current Liabilities	111,464	18,438
Workers' Compensation	349,802	370,664
Compensated Absences and Postretirement Benefit Obligations	659,599	514,405
Bond Premium (Unamortized)	267,559	281,385
Bonds Payable	3,029,376	2,969,300
Capital Lease Obligations	21,999	21,034
Due to System, AFRP	330,628	317,598
Total Current Liabilities	22,280,188	21,121,128
NONCURRENT LIABILITIES		
Workers' Compensation	383,357	440,721
Compensated Absences and Postretirement Benefit Obligations	89,647,517	86,080,187
Net Pension Liability	57,549,125	-
Bond Premium (Unamortized)	1,592,585	1,733,458
Bonds Payable	32,852,016	36,005,347
Capital Lease Obligations	81,493	9,830
Unearned Revenue	1,245,249	1,555,250
Due to System, AFRP	2,127,139	2,460,292
Other Noncurrent Liabilities	4,655,037	4,566,767
Total Noncurrent Liabilities	190,133,518	132,851,852
Total Liabilities	212,413,706	153,972,980
DEFERRED INFLOWS OF RESOURCES	1,115,503	-
NET POSITION		
Net Investment in Capital Assets	75,269,073	74,779,741
Restricted:		
Nonexpendable:		
Student Loans	733,121	733,121
Expendable:		
Scholarships and Fellowships	109,965	103,645
Capital Projects	1,436,231	835,821
Other	125,305	161,743
Unrestricted	(79,791,635)	(24,829,394)
Total Net Position	(2,117,940)	51,784,677
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 211,411,269	$ 205,757,657

See accompanying Notes to Financial Statements.

SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION – PRIMARY INSTITUTION
YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
OPERATING REVENUES		
Tuition and Fees	$ 82,762,229	$ 78,179,096
Less: Scholarship Discounts and Allowances	(19,123,771)	(18,767,644)
Net Tuition and Fees	63,638,458	59,411,452
Governmental Grants and Contracts:		
Federal	891,252	859,009
State	7,338,638	7,738,315
Local	3,958,113	3,545,541
Sales and Services of Educational Departments	2,719,498	2,801,532
Nongovernmental Grants and Contracts	37,389	87,761
Auxiliary Enterprises, Net of Scholarship Discounts and Allowances of $295,554 in 2015 and $289,347 in 2014	22,779,701	21,599,709
Other Revenues	506,111	397,536
Total Operating Revenues	101,869,160	96,440,855
OPERATING EXPENSES		
Instruction	54,096,852	50,742,152
Research	144,348	130,703
Public Service	1,491,553	1,379,796
Academic Support	11,867,355	10,518,281
Student Services	14,339,847	13,253,556
Institutional Support	18,610,596	23,835,590
Operations and Maintenance of Plant	15,154,192	14,482,560
Depreciation	7,331,204	7,223,942
Student Aid	6,526,109	6,384,909
Auxiliary Enterprises	17,519,431	17,114,181
Total Operating Expenses	147,081,487	145,065,670
NET OPERATING LOSS	(45,212,327)	(48,624,815)

See accompanying Notes to Financial Statements.

SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION – PRIMARY INSTITUTION (CONTINUED)
YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
NONOPERATING REVENUES (EXPENSES)		
State Appropriations, General and Restricted	32,623,254	32,576,803
Pell Grants	10,479,444	10,074,513
Investment Income, Net of Related Investment Expense of $16,068 in 2015 and $15,533 in 2014	844,630	780,088
Gifts for than Other Capital Purposes	-	208,046
Interest Expense on Capital Asset-Related Debt	(1,697,855)	(1,490,589)
Loss on Disposal of Assets	(131,507)	(8,034)
Other Nonoperating Revenue	112,567	80,860
Nonoperating Revenues, Net	42,230,533	42,221,687
LOSS BEFORE OTHER REVENUES	(2,981,794)	(6,403,128)
OTHER REVENUES		
State Appropriations, Capital	1,041,138	1,054,919
Capital Gifts and Grants	16,430	17,654
Total Other Revenues	1,057,568	1,072,573
CHANGE IN NET POSITION	(1,924,226)	(5,330,555)
Net Position, Beginning of Year	51,784,677	57,115,232
Restatement for GASB 68, Pension Liability and Related Expense	(51,978,391)	-
Net Position, Beginning of Year, As Restated	(193,714)	57,115,232
NET POSITION, END OF YEAR	$ (2,117,940)	$ 51,784,677

See accompanying Notes to Financial Statements.

SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
STATEMENTS OF CASH FLOWS – PRIMARY INSTITUTION
YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Tuition and Fees	$ 63,897,011	$ 60,769,069
Grants and Contracts	12,149,930	11,968,608
Payments to Suppliers for Goods and Services	(33,070,101)	(32,500,112)
Payments to Employees	(94,322,589)	(93,150,607)
Loans Issued to Students	(725,606)	(967,804)
Loans Collected from Students	684,608	717,703
Student Aid	(6,631,568)	(6,487,944)
Auxiliary Enterprise Charges	22,398,727	21,293,648
Sales and Services of Educational Departments	2,718,394	2,801,532
Other Operating Receipts	762,647	1,676,038
Net Cash Used by Operating Activities	(32,138,547)	(33,879,869)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriations, including Federal ARRA	32,623,254	32,576,803
Gifts and Nonoperating Grants for Other than Capital Purposes	10,479,444	10,282,559
Agency Transactions	(12,595)	12,498
PLUS, Stafford, and Other Loans Receipts (Non-Perkins)	72,358,170	68,897,729
PLUS, Stafford, and Other Loans Disbursements (Non-Perkins)	(72,358,170)	(68,897,729)
Other	112,567	80,860
Net Cash Provided by Noncapital Financing Activities	43,202,670	42,952,720
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Proceeds from Capital Debt and Leases	1,193,076	-
Capital Appropriations	1,041,138	1,054,919
Capital Grants and Gifts Received	16,430	17,654
Purchases of Capital Assets	(4,402,791)	(3,934,216)
Principal Paid on Capital Debt	(4,472,825)	(9,257,718)
Interest Paid on Capital Debt	(1,979,903)	(2,197,701)
Net Cash Used by Capital Financing Activities	(8,604,875)	(14,317,062)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	833,245	772,681
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,292,493	(4,471,530)
Cash and Cash Equivalents - Beginning of Year	75,264,928	79,736,458
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 78,557,421	$ 75,264,928

See accompanying Notes to Financial Statements.

SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
STATEMENTS OF CASH FLOWS – PRIMARY INSTITUTION (CONTINUED)
YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Net Operating Loss	$ (45,212,327)	$ (48,624,815)
Adjustments to Reconcile Net Operating Loss to Net Cash Used by Operating Activities:		
Depreciation Expense	7,331,204	7,223,942
Changes in Assets and Liabilities:		
Receivables	(251,019)	36,352
Inventory	6,212	8,542
Other Assets	(381,623)	1,360,436
Accounts Payable	563,105	(95,926)
Unearned Revenue	(89,221)	(180,433)
Students' Deposit	97,982	82,661
Compensated Absences	(53,329)	120,385
Loans to Students and Employees	(40,998)	(250,101)
Other Liabilities	5,891,467	6,439,088
Net Cash Used by Operating Activities	$ (32,138,547)	$ (33,879,869)
SUPPLEMENTAL DISCLOSURE OF NONCASH OPERATING AND CAPITAL FINANCING ACTIVITIES		
Accounts Payable for Construction	$ -	$ 179,304
Capital Lease	106,294	-

See accompanying Notes to Financial Statements.

SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
COMBINED STATEMENTS OF FINANCIAL POSITION – COMPONENT UNITS
JUNE 30, 2015 AND 2014

	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 10,746,262	$ 10,038,379
Investments	24,422,899	23,350,152
Accounts Receivable, Other	1,034,454	764,816
Pledges Receivable	1,191,805	1,390,704
Prepaid Expenses	8,596	10,489
Inventories	880,829	892,882
Total current assets	38,284,845	36,447,422
NONCURRENT ASSETS		
Capital Assets, Net	99,963,544	103,576,094
Other Assets	27,709,644	27,199,465
Total Noncurrent Assets	127,673,188	130,775,559
Total Assets	$ 165,958,033	$ 167,222,981
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	$ 149,909	$ 89,520
Capitalized Leases	10,325	21,217
Due to University	2,824,602	2,571,519
Annuity Liabilities	475,164	532,225
Other Liabilities	8,418,082	8,547,913
Total current liabilities	11,878,082	11,762,394
NONCURRENT LIABILITIES		
Bonds Payable	118,075,000	120,395,000
Total Liabilities	129,953,082	132,157,394
NET ASSETS		
Unrestricted	10,176,547	10,315,708
Temporarily Restricted	9,950,355	9,672,010
Permanently Restricted	15,878,049	15,077,869
Total Net Assets	36,004,951	35,065,587
Total Liabilities and Net Assets	$ 165,958,033	$ 167,222,981

See accompanying Notes to Financial Statements.

SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
COMBINED STATEMENTS OF ACTIVITIES – COMPONENT UNITS
YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
CHANGES IN UNRESTRICTED NET ASSETS		
REVENUES AND OTHER ADDITIONS		
Contributions	$ 84,349	$ 373,303
Investment Income	21,727	20,163
Rental Income	14,757,886	14,413,755
Sales and Service	4,593,163	4,815,204
Student Activity Fees	2,271,817	2,222,518
Other Revenues	1,976,097	1,825,089
Net Assets Released from Restriction	1,455,761	2,649,293
Total Revenues and Other Additions	25,160,800	26,319,325
EXPENSES AND OTHER DEDUCTIONS		
Program services:		
Scholarships and Grants	1,694,412	1,538,096
Student Activities	2,180,629	2,064,027
University Store	3,996,749	4,023,083
Housing	14,730,726	14,207,888
Other University Support	995,415	1,017,185
Management and General	889,578	790,853
Transfer of Surplus to University	-	397,551
Fundraising	792,962	869,640
Actuarial Losses on Annuities Payable	19,490	65,925
Total Expenses and Other Deductions	25,299,961	24,974,248
Change in Unrestricted Net Assets	(139,161)	1,345,077
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Contributions	1,401,813	1,138,452
Investment Income	568,519	3,717,265
Net Assets Released from Restrictions, Satisfaction of Program Restrictions	(1,691,987)	(2,649,293)
Change in Temporarily Restricted Net Assets	278,345	2,206,424
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS	1,036,406	1,100,465
INCREASE IN NET ASSETS	1,175,590	4,651,966
Net Assets - Beginning of Year	35,065,587	30,413,621
NET ASSETS - END OF YEAR	$ 36,241,177	$ 35,065,587

See accompanying Notes to Financial Statements.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Slippery Rock University of Pennsylvania of the State System of Higher Education (the "University"), a public four year institution located in Slippery Rock, Pennsylvania, was founded in 1889. The University is one of fourteen universities of the State System of Higher Education (the "State System"). The State System was created by the State System of Higher Education Act of November 12, 1982, P.L. 660, No. 188, as amended (Act 188). The State System is a component unit of the Commonwealth of Pennsylvania (the "Commonwealth").

The Commonwealth determines the State appropriation allocated to the State System. The State System determines the allocation to each University from the state appropriated amount. Tuition rates are set by the Board of Governors of the State System, for all fourteen member universities. Labor agreements are negotiated at either the State System level or Commonwealth level.

Reporting Entity

The University functions as a Business-Type Activity, as defined by the Governmental Accounting Standards Board (GASB).

The Slippery Rock Student Government Association (the "Association") is a legally separate, tax-exempt entity, which is responsible for the operations of the University Store and community activities. Although the University does not control the resources of the Association, the activities of the Association are solely for the benefit of the University and its students. Because these resources are held by the Association and can only be used to benefit the University and its students, the Association is considered a component unit of the University and is discretely presented in the University's financial statements. The financial activity of the Association is presented as of June 30, 2015 and 2014.

The Slippery Rock University Foundation (the "Foundation") is a legally separate, tax-exempt entity, which acts primarily as a fund-raising organization and supplements the resources that are available to the University in support of its programs. Although the University does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, that the Foundation holds are restricted to activities of the University by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of the University, the Foundation is considered a component unit of the University and is discretely presented in the University's financial statements. The University received payments from the Foundation of $435,736 and $397,551 during the years ended June 30, 2015 and 2014, respectively. The financial activity of the Foundation is presented as of June 30, 2015 and 2014.

Complete financial statements for the Association and the Foundation may be obtained at the University's administrative office.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Basis of Presentation

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, as prescribed by GASB. The economic resources measurement focus reports all inflows, outflows, and balances that affect an entity's net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

The accompanying financial statements of the component units, which are all private nonprofit organizations, are reported in accordance with Financial Accounting Standards Board (FASB) requirements, including FASB Statement No. 117, *Financial Reporting for Not-for-profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications for these differences have been made to the component units' financial information presented herein.

Operating Revenues and Expenses

The University records tuition; all academic, instructional, and other student fees; student financial aid; auxiliary activity; and corporate partnerships as operating revenue. In addition, governmental and private grants and contracts in which the grantor receives equal value for the funds given to the University are recorded as operating revenue. All expenses, with the exception of interest expense on capital asset-related debt and losses on the disposal of assets, are recorded as operating expenses. Appropriations, Pell Grants, investment income, gifts for other than capital purposes, and parking and library fines are reported as nonoperating revenue.

Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statement of revenues, expenses and changes in net position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University and the amount that is paid by students and/or third parties making payments on students' behalf. To the extent that revenues from such programs are used to satisfy tuition and fees and other student services, the University has recorded a scholarship discount and allowance.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net position is the residual of assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources. The University maintains the following classifications of net position.

Net Investment in Capital Assets: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, repair or improvement of those assets.

Restricted – Nonexpendable: Net position subject to externally imposed conditions requiring that they be maintained by the University in perpetuity.

Restricted – Expendable: Net position whose use is subject to externally imposed conditions that can be fulfilled by the actions of the University or by the passage of time.

Unrestricted: All other categories of net position. Unrestricted net position may be designated for specific purposes by the University's Council of Trustees.

When both restricted and unrestricted funds are available for expenditure, the decision as to which assets are used first is left to the discretion of the University.

Cash Equivalents

The University considers all demand and time deposits, money market funds and overnight repurchase agreements to be cash equivalents.

Accounts and Loans Receivable

Accounts and loans receivable consist of tuition and fees charged to current and former students and amounts due from federal and state governments in connection with reimbursements of allowable expenditures made pursuant to grants and contracts and other miscellaneous sources.

Accounts and loans receivable are reported at net realizable value. Accounts are written off when they are determined to be uncollectible based upon management's assessment of individual accounts. The allowance for doubtful accounts is estimated based upon the University's historical losses and periodic review of individual accounts.

Inventories

Inventories of the University consist mainly of supplies and is stated at the lower of cost or market, with cost determined principally on the weighted average method.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Land and buildings at the University's campus acquired or constructed prior to the creation of the State System on July 1, 1983, are owned by the Commonwealth and made available to the University. Since the University neither owns such assets nor is responsible to service associated bond indebtedness, no value is ascribed thereto in the accompanying financial statements. Likewise, no value is ascribed to the portion of any land or buildings acquired or constructed utilizing capital funds appropriated by the Commonwealth after June 10, 1983 and made available to the University.

All assets with a purchase cost, or fair value if acquired by gift, in excess of $5,000 with an estimated useful life of two years or greater are capitalized. Buildings, portions of buildings, and capital improvements acquired or constructed by the University after June 30, 1983, through the expenditure of University funds or the incurring of debt, are stated at cost less accumulated depreciation. Equipment and furnishings are stated at cost less accumulated depreciation. Library books are capitalized and depreciated. Assets purchased under capital leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The University provides for depreciation on the straight-line method over the estimated useful lives of the related assets. Buildings and improvements are depreciated over useful lives ranging from 10 to 40 years. Equipment and furnishings are depreciated over useful lives ranging from 3 to 10 years. Library books are depreciated over 10 years. Amortization of assets purchased under capital leases is included in depreciation expense. Normal repair and maintenance expenditures are not capitalized because they neither add to the value of the property nor materially prolong its useful life.

The University does not capitalize collections of art, rare books, historical items, etc., as they are held for public exhibition, education, or research rather than financial gain.

Impairment of Capital Assets

Management reviews capital assets for impairment whenever events or changes in circumstances indicate that the service utility of an asset has declined significantly and unexpectedly. Any write-downs due to impairment are charged to operations at the time impairment is identified. No write-down of capital assets was required for the years ended June 30, 2015 and 2014.

Unearned Revenue

Unearned revenue includes amounts for tuition and fees, grants, corporate sponsorship payments and certain auxiliary activities received prior to the end of the fiscal year but earned in a subsequent accounting period.

Compensated Absences

Employees' right to receive annual leave and sick leave payments upon termination or retirement for services already rendered is recorded as a liability.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pension Plans

Employees of the State System enroll in one of three available retirement plans immediately upon employment. The Commonwealth of Pennsylvania State Employees' Retirement System (SERS) and the Public School Employees' Retirement System (PSERS) are governmental cost-sharing multiple-employer defined benefit plans. The Alternative Retirement Plan (ARP) is a defined contribution plan administered by the State System.

Deferred Outflows and Deferred Inflows of Resources

The balance sheet reports separate sections for deferred outflows of resources and deferred inflows of resources.

Deferred outflows of resources, reported after total assets, is defined by GASB as a consumption of net position that applies to future periods. The expense is recognized in the applicable future period(s). The University reports as deferred outflows of resources its deferred loss on bond defeasance, which results when the carrying value of a defeased bond is less than its reacquisition price. The difference is deferred and amortized over the remaining life of the old bond or the life of the new bond, whichever is shorter. And for defined benefit pension plans: the difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension plan investments, changes in the University's proportion of expenses and liabilities to the pension as a whole, differences between the University's pension contributions and its proportionate share of contributions, and University's pension contributions subsequent to the pension valuation measurement date.

Deferred inflows of resources, reported after total liabilities, is defined by GASB as an acquisition of net position that applies to future periods. The revenue is recognized in the applicable future period(s). The University reports as deferred inflows of resources the following. Defined benefit pension plans: the difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension plan investments, changes in the University's proportion of expenses and liabilities to the pension as a whole, differences between the University's pension contributions and its proportionate share of contributions, and University's pension contributions subsequent to the pension valuation measurement date.

Scholarships and Waivers

In accordance with a formula prescribed by the National Association of College and University Business Officers (NACUBO), the University allocates the cost of scholarships, waivers, and other student financial aid between Scholarship discounts and allowances (netted against tuition and fees) and Student aid expense. Scholarship and waivers of room and board fees are reported in Auxiliary enterprises. The cost of tuition waivers granted to employees is reported as employees' benefits expense.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The University, as a member of the State System, is tax exempt; accordingly, no provision for income taxes has been made in the accompanying financial statements.

Use of Estimates

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

Reclassifications

Certain amounts in the prior period presented have been reclassified to conform to the current period financial statement presentation. These reclassifications have no effect on previously reported change in net position.

New Accounting Standards

The University has implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Statements No. 68 and 71 require the University to report its share of the defined benefit pension liabilities and expense, as well as the related deferred outflows of resources and deferred inflows of resources, allocated to it by the Commonwealth of Pennsylvania State Employees' Retirement System (SERS) and Public School Employees' Retirement System (PSERS). The July 1, 2014, balance of the net pension liability and related deferred outflows of resources and deferred inflows of resources is reported in the Statement of Revenues, Expenses, and Changes in Net Position as a restatement to the *2015 Net position—beginning of year*. SERS and PSERS were not able to provide sufficient information to restate the June 30, 2014, financial statements.

	2015
Net Position, Beginning of Year, as Previously Reported	$ 51,784,677
GASB 68, Balance of the Net Pension Liability and Related Deferred Outflows of Resources and Deferred Inflows of Resources	(51,978,391)
Net Position, Beginning of Year, as Restated	$ (193,714)

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Standards (Continued)

In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements and is effective for financial statements for reporting periods beginning after June 15, 2015. The University has determined that Statement No. 72 will have no effect on its financial statements other than to change the disclosure information for its investments.

In June 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This statement establishes requirements for defined contribution pensions and defined benefit pensions that are not within the scope of Statement No. 68 and amends certain provisions of Statements No. 67 and 68. Statement No. 73 is effective for fiscal years beginning after June 15, 2016. The University has determined that Statement No. 73 will have no effect on its financial statements.

In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. These statements establish new accounting and financial reporting requirements for governments whose employees are provided with OPEB (other postemployment benefits), as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. These statements will require the University to record its postretirement health care liability in its entirety at June 30, 2015, the University's accrued postretirement health care liability, as calculated by the actuaries, was $85,944,000, but under current GASB requirements, the amount recorded on the balance sheet as a liability was $81,669,000. The University expects that the amount recorded on the balance sheet as a postretirement health care liability will increase when Statement No. 75 is implemented, but the amount cannot be calculated until a new actuarial valuation is performed under the new standards. Furthermore, Statement No. 75 will require that the University record the liability for its employees who participate in the Commonwealth's Retired Employees Health Plan (REHP). Under current GASB standards, the State System does not report a share of the REHP's unfunded liability since the REHP is a multiple-employer cost-sharing plan administered by the Pennsylvania Employee Benefits Trust Fund (PEBTF). The amount that the State System will have to record as its share of the liability when Statement No. 75 becomes effective is unknown; however, the Commonwealth has advised the State System that its share of the liability at June 30, 2015, is $73,032,000. The provisions in Statement No. 74 are effective for fiscal years beginning after June 15, 2016; the provisions in Statement No. 75 are effective for fiscal years beginning after June 15, 2017.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Standards (Continued)

In June 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Statement No. 76 modifies the GAAP hierarchy, which are the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP. The provisions in Statement No. 76 are effective for reporting periods beginning after June 15, 2015. The University has determined that Statement No. 76 will have no effect on its financial statements.

In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures*. Statement No. 77 requires governments that enter into tax abatement agreements to disclose certain information about the agreements. The provisions in Statement No. 77 are effective for reporting periods beginning after December 15, 2015. The University has determined that Statement No. 77 will have no effect on its financial statements.

NOTE 2 CONDENSED COMPONENT UNITS INFORMATION

The following represents combining condensed statement of financial position information for the component units as of June 30, 2015:

	Association	Foundation	Total
Capital Assets, Net	$ 4,726,331	$ 95,237,213	$ 99,963,544
Other Assets	12,207,743	53,786,746	65,994,489
Total Assets	$ 16,934,074	$ 149,023,959	$ 165,958,033
Due to University	$ -	$ 2,824,602	$ 2,824,602
Long-Term Debt	-	118,075,000	118,075,000
Other Liabilities	582,515	8,470,965	9,053,480
Total Liabilities	$ 582,515	$ 129,370,567	$ 129,953,082
Net Assets:			
Unrestricted	$ 16,351,559	$ (6,175,012)	$ 10,176,547
Temporarily Restricted	-	9,950,355	9,950,355
Permanently Restricted	-	15,878,049	15,878,049
Total Net Assets	$ 16,351,559	$ 19,653,392	$ 36,004,951

The following represents combining condensed statement of financial position information for the component units as of June 30, 2014:

	Association	Foundation	Total
Capital Assets, Net	$ 4,831,946	$ 98,744,148	$ 103,576,094
Other Assets	11,323,346	52,323,541	63,646,887
Total Assets	$ 16,155,292	$ 151,067,689	$ 167,222,981
Due to University	$ -	$ 2,571,519	$ 2,571,519
Long-Term Debt	-	120,395,000	120,395,000
Other Liabilities	541,339	8,649,536	9,190,875
Total Liabilities	$ 541,339	$ 131,616,055	$ 132,157,394
Net Assets:			
Unrestricted	$ 15,613,953	$ (5,298,245)	$ 10,315,708
Temporarily Restricted	-	9,672,010	9,672,010
Permanently Restricted	-	15,077,869	15,077,869
Total Net Assets	$ 15,613,953	$ 19,451,634	$ 35,065,587

NOTE 2 CONDENSED COMPONENT UNITS INFORMATION (CONTINUED)

The following represents combining statement of activities for the component units for the year ended June 30, 2015:

	Association	Foundation	Total
Changes in Unrestricted Net Assets			
Revenues and Other Additions:			
Contributions	$ 1,134	$ 83,215	$ 84,349
Investment Income	21,727	-	21,727
Rental Income	-	14,757,886	14,757,886
Sales and Service	4,121,104	472,059	4,593,163
Student Activity Fees	2,271,817	-	2,271,817
Other Revenues	758,335	1,217,762	1,976,097
Net Assets Released from Restriction	-	1,455,761	1,455,761
Total Revenues and Other Additions	7,174,117	17,986,683	25,160,800
Expenses and Other Deductions:			
Program Services:			
Scholarships and Grants	-	1,694,412	1,694,412
Student Activities	2,180,629	-	2,180,629
University Stores	3,996,749	-	3,996,749
Housing	-	14,730,726	14,730,726
Other University Support	-	995,415	995,415
Management and General	259,133	630,445	889,578
Fundraising	-	792,962	792,962
Actuarial Losses on Annuities Payable	-	19,490	19,490
Total Expenses and Other Deductions	6,436,511	18,863,450	25,299,961
Increase (Decrease) in Unrestricted Net Assets	737,606	(876,767)	(139,161)
Changes in Temporarily Restricted Net Assets			
Contributions	-	1,401,813	1,401,813
Investment Income	-	568,519	568,519
Net Assets Released from Restrictions	-	(1,691,987)	(1,691,987)
Decrease in Temporarily Restricted Net Assets	-	278,345	278,345
Changes in Permanently Restricted Net Assets			
Contributions	-	800,180	800,180
INCREASE IN NET ASSETS	737,606	201,758	939,364
Net Assets - Beginning	15,613,953	19,451,634	35,065,587
NET ASSETS - ENDING	$ 16,351,559	$ 19,653,392	$ 36,004,951

NOTE 2 CONDENSED COMPONENT UNITS INFORMATION (CONTINUED)

The following represents combining statement of activities for the component units for the year ended June 30, 2014:

	Association	Foundation	Total
Changes in Unrestricted Net Assets			
Revenues and Other Additions:			
Contributions	$ 597	$ 372,706	$ 373,303
Investment Income	20,163	-	20,163
Rental Income	-	14,413,755	14,413,755
Sales and Service	4,212,101	603,103	4,815,204
Student Activity Fees	2,222,518	-	2,222,518
Other Revenues	514,230	1,310,859	1,825,089
Net Assets Released from Restriction	-	2,649,293	2,649,293
Total Revenues and Other Additions	6,969,609	19,349,716	26,319,325
Expenses and Other Deductions:			
Program Services:			
Scholarships and Grants	-	1,538,096	1,538,096
Student Activities	2,064,027	-	2,064,027
University Stores	4,023,083	-	4,023,083
Housing	-	14,207,888	14,207,888
Other University Support	-	1,017,185	1,017,185
Management and General	279,605	511,248	790,853
Transfer of Surplus to University	-	397,551	397,551
Fundraising	-	869,640	869,640
Actuarial Losses on Annuities Payable	-	65,925	65,925
Total Expenses and Other Deductions	6,366,715	18,607,533	24,974,248
Change in Unrestricted Net Assets	602,894	742,183	1,345,077
Changes in Temporarily Restricted Net Assets			
Contributions	-	1,138,452	1,138,452
Investment Income	-	3,717,265	3,717,265
Net Assets Released from Restrictions	-	(2,649,293)	(2,649,293)
Increase in Temporarily Restricted Net Assets	-	2,206,424	2,206,424
Changes in Permanently Restricted Net Assets			
Contributions	-	1,100,465	1,100,465
INCREASE IN NET ASSETS	602,894	4,049,072	4,651,966
Net Assets - Beginning	15,011,059	15,402,562	30,413,621
NET ASSETS - ENDING	$ 15,613,953	$ 19,451,634	$ 35,065,587

NOTE 3 DEPOSITS AND INVESTMENTS

The University predominantly maintains its cash balances on deposit with the State System. The State System maintains these and other State System funds on a pooled basis. Although the State System pools its funds in a manner similar to an internal investment pool, individual State System entities do not hold title to any assets in the fund. The State System as a whole owns title to all assets. The University does not participate in the unrealized gains or losses on the investment pool; instead, the University holds shares equal to its cash balance. Each share has a constant value of $1, and income is allocated based on the number of shares owned. Revenue realized at the State System level is calculated on a daily basis and posted monthly to each entity's account as interest income. The University's portion of pooled funds totals $76,298,765 and $73,449,797 at June 30, 2015 and 2014, respectively.

Board Policy 1986-02-A, *Investment*, authorizes the State System to invest in obligations of the U.S. Treasury, repurchase agreements, commercial paper, certificates of deposit, banker's acceptances, U.S. money market funds, municipal bonds, corporate bonds, collateralized mortgage obligations (CMOs), asset-backed securities, and internal loan funds. Restricted nonexpendable amounts and amounts designated by the Board or university trustees may be invested in the investments described above, as well as corporate equities and approved pooled common funds. For purposes of convenience and expedience, the University uses local financial institutions for activities such as cash deposits. In addition, the University may accept gifts of investments from donors as long as risk is limited to the investment itself. Restricted gifts of investments fall outside the scope of the investment policy.

In keeping with its legal status as a system of public universities, the State System recognizes a fiduciary responsibility to invest all funds prudently in accordance with ethical and prevailing legal standards. Investment decisions are intended to minimize risk while maximizing asset value. Adequate liquidity is maintained so that assets can be held to maturity. High quality investments are preferred. Reasonable portfolio diversification is pursued to ensure that no single security or investment or class of securities or investments will have a disproportionate or significant impact on the total portfolio. Investments may be made in U.S. dollar-denominated debt of high quality U.S. and non-U.S. corporations. Investment performance is monitored on a frequent and regular basis to ensure that objectives are attained and guidelines are followed.

Safety of principal and liquidity are the top priorities for the investment of the State System's operating funds. Within those guidelines, income optimization is pursued. Speculative investment activity is not allowed; this includes investing in asset classes such as commodities, futures, short-sales, equities, real or personal property, options, venture capital investments, private placements, letter stocks, and unlisted securities.

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

The State System's operating funds are invested and reinvested in the following types of instruments with qualifications as provided. (See Board Policy 1986-02-A, Investment, for a complete list of and more details on permissible investments and associated qualifications.)

Investment Categories	Qualifications/Moody's Ratings Requirements
United States Government Securities	Together with repurchase agreements must comprise at least 20% of the market value of the fund.
Repurchase Agreements	Underlying collateral must be direct obligations of the United States Treasury and be in PASSHE's or its agent's custody.
Commercial Paper	P-1 and P-2 notes only, with no more than 5% and 3%, respectively, of the market value of the fund invested in any single issuer. Total may not exceed 20% of the market value of the fund.
Municipal Bonds	Bonds must carry long-term debt rating of A or better. Total may not exceed 20% of the market value of the fund.
Corporate Bonds	15% must carry long-term debt rating of A or better; 5% may be rated Baa2 or better. Total may not exceed 20% of the market value of the fund.
Collateralized Mortgage Obligations (CMOs)	Must be rated Aaa and guaranteed by U.S. government. Total may not exceed 20% of the market value of the fund.
Asset-Backed Securities	Must be Aaa rated. Total may not exceed 20% of the market value of the fund, with no more than 5% invested in any single issuer.
System Investment Fund Loans (university loans and bridge notes)	Total may not exceed 20% of the market value of the fund, and loan terms may not exceed 5 years.

CMO Risk: CMOs are sometimes based on cash flows from interest-only (IO) payments or principal-only (PO) payments and are sensitive to prepayment risks. The CMOs in the State System's portfolio do not have IO or PO structures; however, they are subject to extension or contraction risk based on movements in interest rates.

Moody's Rating: The State System uses ratings from Moody's Investors Service, Inc., to indicate the credit risk of investments, i.e., the risk that an issuer or other counterparty to an investment will not fulfill its obligations. An *Aaa* rating indicates the highest quality obligations with minimal credit risk. Ratings that begin with *Aa* indicate high quality obligations subject to very low credit risk; ratings that begin with *A* indicate upper-medium-grade obligations subject to low credit risk; and ratings that begin with *Baa* indicate medium-grade obligations, subject to moderate credit risk, that may possess certain speculative characteristics. Moody's appends the ratings with numerical modifiers *1*, *2*, and *3*, with *1* indicating a higher ranking and *3* indicating a lower ranking within the category. For short-term obligations, a rating of *P-1* indicates that issuers have a superior ability to repay short-term debt obligations, and a rating of P-2 indicates that issuers have a strong ability to repay short-term debt obligations.

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Modified Duration: The State System denotes interest rate risk, or the risk that changes in interest rates will affect the fair value of an investment, using modified duration. Duration is a measurement in years of how long it takes for the price of a bond to be repaid by its internal cash flows. Modified duration takes into account changing interest rates. The State System maintains a portfolio duration target of 1.8 years with an upper limit of 2.5 years for the intermediate-term component of the operating portion of the investment portfolio. The State System's duration targets are not applicable to its long-term investments.

On June 30, 2015 and 2014, the carrying amount of the University's demand and time deposits were $2,258,656 and $1,811,666, respectively, as compared to bank balances of $2,200,079 and $1,864,408, respectively. The differences are primarily caused by items in transit and outstanding checks. Of the bank balances at June 30, 2015 and 2014, $250,000 was covered by federal government depository insurance; and $1,950,079 and $1,614,408, respectively, was uninsured and uncollateralized but covered under the collateralization provisions of the Commonwealth of Pennsylvania Act 72 of 1971 (Act 72), as amended. Act 72 allows banking institutions to satisfy the collateralization requirements by pooling eligible investments to cover total public funds on deposit in excess of federal insurance. Such pooled collateral is pledged with the financial institutions' trust departments. At June 30, 2015 and 2014, none of the University's demand and time deposits are exposed to foreign currency risk.

NOTE 4 INVESTMENT-COMPONENT UNIT

The fair value of investments at June 30 is as follows:

	2015	2014
Equity Securities	$ 19,005,907	$ 18,716,578
Fixed Income	5,228,592	4,445,174
Real Estate	188,400	188,400
Total	$ 24,422,899	$ 23,350,152

NOTE 5 CAPITAL ASSETS, NET

Capital assets acquired or constructed by the University through the expenditures of University funds or the incurrence of debt consist of the following:

	2015					
	Life	Beginning Balance July 01, 2014	Additions	Retirements	Reclassifications	Ending Balance June 30, 2015
Land		$ 11,701	$ -	$ -	$ -	$ 11,701
Construction in Progress		1,214,988	1,921,258	(127,615)	(469,563)	2,539,068
Total Capital Assets Not being Depreciated		1,226,689	1,921,258	(127,615)	(469,563)	2,550,769
Buildings, including Improvements	40	151,149,822	1,850,482	-	469,563	153,469,867
Improvements Other than Buildings	20	14,324,868	-	-	-	14,324,868
Furnishings and Equipment Including Capital Leases	Varies	20,465,146	663,606	(394,921)	-	20,733,831
Library Books	10	6,588,948	73,741	(53,619)	-	6,609,070
Total Capital Assets being Depreciated		192,528,784	2,587,829	(448,540)	469,563	195,137,636
Less: Accumulated Depreciation:						
Buildings, including Improvements		(46,646,860)	(5,370,554)	-	-	(52,017,414)
Improvements Other than Buildings		(7,483,243)	(680,611)	-	-	(8,163,854)
Furnishings and Equipment Including Capital Leases		(15,050,416)	(1,187,254)	391,029	-	(15,846,641)
Library Books		(6,022,089)	(92,785)	53,617	-	(6,061,257)
Total Accumulated Depreciation		(75,202,608)	(7,331,204)	444,646	-	(82,089,166)
Total Capital Assets being Depreciated, Net		117,326,176	(4,743,375)	(3,894)	469,563	113,048,470
Capital Assets, Net		$ 118,552,865	$ (2,822,117)	$ (131,509)	$ -	$ 115,599,239

NOTE 5 CAPITAL ASSETS, NET (CONTINUED)

	2014					
	Life	Beginning Balance July 01, 2014	Additions	Retirements	Reclassifications	Ending Balance June 30, 2015
Land		$ 11,701	$ -	$ -	$ -	$ 11,701
Construction in Progress		1,201,564	715,093	-	(701,669)	1,214,988
Total Capital Assets Not being Depreciated		1,213,265	715,093	-	(701,669)	1,226,689
Buildings, including Improvements	40	148,588,982	2,012,925	-	547,915	151,149,822
Improvements Other than Buildings	20	13,191,107	980,007	-	153,754	14,324,868
Furnishings and Equipment, including Capital Leases	Varies	20,867,117	328,296	(730,267)	-	20,465,146
Library Books	10	7,275,618	77,199	(763,869)	-	6,588,948
Total Capital Assets being Depreciated		189,922,824	3,398,427	(1,494,136)	701,669	192,528,784
Less: Accumulated Depreciation:						
Buildings, including Improvements		(41,391,545)	(5,255,315)	-	-	(46,646,860)
Improvements Other than Buildings		(6,836,545)	(646,698)	-	-	(7,483,243)
Furnishings and Equipment, including Capital Leases		(14,532,127)	(1,240,522)	722,233	-	(15,050,416)
Library Books		(6,704,551)	(81,407)	763,869	-	(6,022,089)
Total Accumulated Depreciation		(69,464,768)	(7,223,942)	1,486,102	-	(75,202,608)
Total Capital Assets being Depreciated, Net		120,458,056	(3,825,515)	(8,034)	701,669	117,326,176
Capital Assets, Net		$ 121,671,321	$ (3,110,422)	$ (8,034)	$ -	$ 118,552,865

NOTE 6 LEASES

The University has entered into operating leases for certain office and classroom space on a year-to-year basis. Total rent expense for operating leases was $508,992 and $135,170 for the years ended June 30, 2015 and 2014, respectively. Future lease payments for operating leases are as follows:

Year Ending June 30,	Amount
2016	$ 238,132
2017	228,564
2018	226,964
2019	227,964
2020	125,728
Total	$ 1,047,352

NOTE 7 ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following at June 30:

	2015	2014
Employees	$ 8,077,276	$ 7,960,217
Supplies and Services	1,877,612	1,871,186
Other	1,325,604	885,984
Interest	71,604	72,014
Total	$ 11,352,096	$ 10,789,401

NOTE 8 UNEARNED REVENUE

Unearned revenue consisted of the following at June 30:

	2015	2014
Grants	$ 414,800	$ 412,394
Students	4,706,470	4,332,326
Auxiliary	1,550,000	1,972,500
Other	-	43,271
Total	$ 6,671,270	$ 6,760,491

During the year ended June 30, 2011, the University entered into a contract with their food service provider. This contract required the food service provider to make an investment in the University at the inception of the contract to be recognized over a 10-year period. The remaining unamortized amount as of June 30, 2015 and 2014 was $1,550,000 and $1,972,500, respectively, and is presented as unearned auxiliary revenue.

NOTE 9 BONDS PAYABLE

Bonds payable consist of tax-exempt revenue bonds issued by the State System through the Pennsylvania Higher Education Facilities Authority (PHEFA). In connection with the bond issuances, the State System entered into a loan agreement with PHEFA on behalf of the University under which the State System has pledged its full faith and credit for the repayment of the bonds. The loan constitutes an unsecured general obligation of the State System. The State System's Board of Governor's has allocated portions of certain bond issuances to the University to undertake various capital projects or to advance refund certain previously issued bonds. The University is responsible for the repayment of principal and interest on its applicable portion of each obligation. The various bond series allocated to the University for the years ended June 30, 2015 and 2014 are as follows:

	2015				
	Weighted Average Interest Rate	Balance July 1, 2014	Bonds Issued	Bonds Redeemed	Balance June 30, 2015
Series AC issued in July 2006	4.89 %	$ 1,236,804	$ -	$ (1,236,804)	$ -
Series AG issued in July 2007	4.85 %	1,848,750	-	(584,153)	1,264,597
Series AH issues in July 2008	4.67 %	7,949,431	-	(516,078)	7,433,353
Series AI issued in August 2008	4.19 %	309,632	-	(22,949)	286,683
Series AJ issued in July 2009	4.88 %	9,406,366	-	(451,894)	8,954,472
Series AL issued in July 2010	5.00 %	13,855,535	-	(1,135,008)	12,720,527
Series AM issued in July 2011	4.65 %	4,368,129	-	(172,150)	4,195,979
Series AQ issued in July 2015	4.71 %	4,368,129		(3,342,348)	1,025,781
Total Bonds Payable		$ 43,342,776	$ -	$ (7,461,384)	$ 35,881,392

	2014				
	Weighted Average Interest Rate	Balance July 1, 2013	Bonds Issued	Bonds Redeemed	Balance June 30, 2014
Series AC issued in July 2006	4.89 %	$ 1,319,746	$ -	$ (82,942)	$ 1,236,804
Series AG issued in July 2007	4.75 %	2,413,646	-	(564,896)	1,848,750
Series AH issues in July 2008	4.70 %	8,441,737	-	(492,306)	7,949,431
Series AI issued in August 2008	4.10 %	331,875	-	(22,243)	309,632
Series AJ issued in July 2009	4.89 %	9,836,545	-	(430,179)	9,406,366
Series AL issued in July 2010	5.00 %	14,936,798	-	(1,081,263)	13,855,535
Series AM issued in July 2011	4.68 %	10,606,948	-	(6,238,819)	4,368,129
Total Bonds Payable		$ 47,887,295	$ -	$ (8,912,648)	$ 38,974,647

NOTE 9 BONDS PAYABLE (CONTINUED)

The State System's outstanding bonds are assigned an Aa3 rating from Moody's Investors Service, Inc. In April 2015, Moody's reaffirmed the State System's outlook as *negative*. In April 2015, Fitch Ratings downgraded the State System's rating from AA to AA- and revised the outlook from *negative* to *stable*.

The University participates in the State System's Academic Facilities Renovation Bond Program (AFRP), which was established for the purpose of renovating the academic facilities across the State System. This program will provide $100,000,000 in funding over the next several years. The State System will issue bonds to provide a pool for funding for AFRP ($29,552,795 and $33,625,385 was outstanding as of June 30, 2015 and 2014, respectively). Universities can request funds for AFRP projects in accordance with their pre-approved amount of funding from the pool. Repayments to the pool are made annually based on the University's proportionate share of the total allocation of funds under the program. As of June 30, 2015 and 2014, the balance owed by the University to the State System's AFRP pool of funding was $2,457,767 and $2,777,890, respectively.

Principal and interest maturities for each of the next five years and in subsequent five-year periods ending June 30 are as follows:

NOTE 9 BONDS PAYABLE (CONTINUED)

Series		2016	2017	2018	2019	2020	2021-2025	2026-2030	Thereafter	Total
AG	Principal	$ 616,250	$ 648,347	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,264,597
	Interest	63,230	32,417	-	-	-	-	-	-	95,647
	Total	679,480	680,764	-	-	-	-	-	-	1,360,244
AH	Principal	542,634	569,801	598,361	628,313	658,876	2,993,981	1,441,387	-	7,433,353
	Interest	344,805	317,673	289,183	259,265	227,849	720,194	137,017		2,295,986
	Total	887,439	887,474	887,544	887,578	886,725	3,714,175	1,578,404	-	9,729,339
AI	Principal	23,655	24,714	25,773	26,832	27,892	157,817	-	-	286,683
	Interest	12,142	11,195	10,207	9,176	8,103	21,627	-	-	72,450
	Total	35,797	35,909	35,980	36,008	35,995	179,444	-	-	359,133
AJ	Principal	474,664	497,433	522,647	548,916	576,240	3,289,404	3,045,168	-	8,954,472
	Interest	431,244	407,511	382,639	356,507	329,061	1,183,133	361,295	-	3,451,390
	Total	905,908	904,944	905,286	905,423	905,301	4,472,537	3,406,463	-	12,405,862
AL	Principal	1,191,557	1,251,156	580,493	609,938	639,384	3,711,511	4,736,488	-	12,720,527
	Interest	636,026	576,448	513,891	484,866	454,369	1,758,936	733,609	-	5,158,145
	Total	1,827,583	1,827,604	1,094,384	1,094,804	1,093,753	5,470,447	5,470,097	-	17,878,672
AM	Principal	180,616	189,790	199,314	207,427	217,658	1,264,672	1,576,519	359,983	4,195,979
	Interest	195,863	186,832	177,343	169,370	158,999	618,503	306,956	16,224	1,830,090
	Total	376,479	376,622	376,657	376,797	376,657	1,883,175	1,883,475	376,207	6,026,069
AQ	Principal	-	74,694	99,439	104,480	109,750	637,418	-	-	1,025,781
	Interest	57,558	51,289	47,554	42,582	37,358	98,717	-	-	335,058
	Total	57,558	125,983	146,993	147,062	147,108	736,135	-	-	1,360,839
Total	Principal	3,029,376	3,255,935	2,026,027	2,125,906	2,229,800	12,054,803	10,799,562	359,983	35,881,392
	Interest	1,740,868	1,583,365	1,420,817	1,321,766	1,215,739	4,401,110	1,538,877	16,224	13,238,766
	Total	$ 4,770,244	$ 4,839,300	$ 3,446,844	$ 3,447,672	$ 3,445,539	$ 16,455,913	$ 12,338,439	$ 376,207	$ 49,120,158

NOTE 10 OBLIGATIONS UNDER CAPITAL LEASES

The University has incurred obligations under the terms of capital lease arrangements in 2010 and 2015. The obligations are collateralized by the related leased equipment.

The present value of future net minimum lease payments has been classified in the accompanying financial statements at June 30, 2015 and 2014 as follows:

	2015	2014
Current Maturities of Capital Lease Obligations	$ 21,999	$ 21,034
Long-term Maturities of Capital Lease Obligations	81,493	9,830
Total	$ 103,492	$ 30,864

The following is a schedule, by year, of minimum, lease payments under the capital leases, together with the present value of the net minimum lease payments as of June 30, 2015:

Year Ending June 30,	Amount
2016	$ 23,023
2017	22,248
2018	22,248
2019	22,248
2020	18,540
Total Minimum Lease Payments	108,307
Amounts Representing Interest	(4,815)
Present Value of Net Minimum Lease Payments	$ 103,492

NOTE 11 COMPENSATED ABSENCES AND POSTRETIREMENT BENEFITS

Compensated absences and postretirement benefits for the years ended June 30, 2015 and 2014 are as follows:

	2015		2014	
	Current	Noncurrent	Current	Noncurrent
Compensated Absences	$ 659,599	$ 7,978,276	$ 514,405	$ 8,176,799
Post-Retirement Benefit Obligations	-	81,669,241	-	77,903,388
Total	$ 659,599	$ 89,647,517	$ 514,405	$ 86,080,187

Changes in the compensated absence liability were as follows:

	2015	2014
Balance at July 1	$ 8,691,204	$ 8,570,819
Current Change in Estimate	870,993	672,500
Payouts	(924,322)	(552,115)
Balance at June 30	$ 8,637,875	$ 8,691,204

NOTE 11 COMPENSATED ABSENCES AND POSTRETIREMENT BENEFITS (CONTINUED)

University employees who retire after meeting specified service and age requirements become eligible for participation in one of two defined healthcare benefits plans. These plans include hospital, medical/surgical, and major medical coverage, and provide a Medicare supplement for individuals over age 65.

System Plan

Plan Description

Employee members of the Association of Pennsylvania State College and University Faculties (APSCUF), the State College and University Professional Association (SCUPA), Security Police and Fire Professionals of America (SPFPA), Pennsylvania Nurses Association (PNA), and nonrepresented employees participate in a single-employer defined benefit healthcare plan administered by the State System (the "System Plan"). The System Plan provides eligible retirees and their eligible dependents with healthcare benefits as well as tuition waivers at any of the State System's universities. Act 188 empowers the Board to establish and amend benefit provisions. Since the System Plan is unfunded and has no assets, no financial report is prepared.

Funding Policy

The contribution requirements of plan members and the State System are established and may be amended by the Board. The System Plan is funded on a pay-as-you-go basis; i.e., premiums are paid to an insurance company and various health maintenance organizations to fund the healthcare benefits to current retirees. Tuition waivers are provided by the retiree's sponsoring University as they are granted. The State System paid premiums of $36,869,000 and $44,201,000 for the fiscal years ended June 30, 2015 and 2014, respectively. Plan members receiving benefits contribute at various rates, depending upon when they retire, whether they are eligible for Medicare, the contribution rate in effect on the day of their retirement, the contribution rate for active employees, and applicable collective bargaining agreements. Following are the contribution rates of plan members as of June 30, 2015:

- Plan members receiving benefits who retired prior to July 1, 2005, are not required to make contributions.
- Nonfaculty coaches who retired July 1, 2005, pay a percentage of their final annual gross salary at the time of retirement.
- Other eligible annuitants who retired on or after July 1, 2005, and prior to July 1, 2008, and who are under age 65 pay 10% of the plan premium in effect on the day of retirement. When annuitants become eligible for Medicare, they pay 15% of the current cost of their Medicare coverage and current cost of coverage for covered dependents. The rate changes annually, and future adjustments will apply if contributions increase for active employees.

NOTE 11 COMPENSATED ABSENCES AND POSTRETIREMENT BENEFITS (CONTINUED)

System Plan (Continued)

Funding Policy (Continued)

- Other eligible annuitants who retire after July 1, 2008, pay 15% of the plan premium in effect on their retirement date. Future adjustments will apply if contributions increase for active employees.

Total contributions made by plan members were $4,272,000 and $3,969,000 or approximately 10.4% and 8.2% of the total premiums for the fiscal years ended June 30, 2015 and 2014, respectively.

Annual OPEB Cost and Net OPEB Obligation

The University's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45 , *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. The ARC represents a level of funding that, if paid annually, is projected to cover normal cost plus the annual portion of the unfunded actuarial liability amortized over thirty years. The following shows the components of the University's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in net OPEB obligation:

Annual Required Contribution	$ 7,475,879
Interest on Net OPEB Obligation	3,047,974
Adjustment to Annual Required Contribution	(4,005,998)
Annual OPEB Cost	6,517,855
Contributions Made	(2,752,002)
Increase in Net OPEB Obligation	3,765,853
Net OPEB Obligation at July 1, 2014	77,903,388
Net OPEB Obligation at June 30, 2015	$ 81,669,241

NOTE 11 COMPENSATED ABSENCES AND POSTRETIREMENT BENEFITS (CONTINUED)

Annual OPEB Cost and Net OPEB Obligation (Continued)

The University's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for June 30, 2015, and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2015	$ 6,517,855	42.2 %	$ 81,669,241
June 30, 2014	8,853,000	32.4 %	77,903,388
June 30, 2013	8,463,000	33.7 %	71,915,550

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2014, the most recent actuarial valuation date was as follows:

Actuarial Accrued Liability (AAL)	$ 85,944,371
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	$ 85,944,371
Funded Ratio (Actuarial Value of Plan Assets/AAL)	- %
Covered Payroll (Active Plan Members)	$ 43,853,342
UAAL as a Percentage of Covered Payroll	196.0 %

NOTE 11 COMPENSATED ABSENCES AND POSTRETIREMENT BENEFITS (CONTINUED)

Funded Status and Funding Progress (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2014, actuarial valuation, the projected unit credit method was used with a 4.25% investment rate of return, which is the rate expected to be earned on the State System's operating portfolio. The health care cost trend rate used was 6.5% in 2014, 6.0% in 2015, and 5.5% in 2016 through 2020, with rates gradually decreasing from 5.4% in 2021 to 3.8% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model. The UAAL is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at July 1, 2014, was 21 years.

Retired Employees Health Program

Plan Description

Employee members of the American Federation of State, County and Municipal Employees (AFSCME); Pennsylvania Doctors Alliance (PDA); and Pennsylvania Social Services Union (PSSU) participate in the Retired Employees Health Program (REHP), which is sponsored by the Commonwealth and administered by the Pennsylvania Employee Benefits Trust Fund (PEBTF). The REHP provides eligible retirees and their eligible dependents with health care benefits. Benefit provisions are established and may be amended under pertinent statutory authority. The REHP neither issues a stand-alone financial report nor is it included in the report of a public employee retirement system or other entity.

NOTE 11 COMPENSATED ABSENCES AND POSTRETIREMENT BENEFITS (CONTINUED)

Funding Policy

The contribution requirements of plan members covered under collective bargaining agreements are established by the collective bargaining agreements. The contribution requirements of nonrepresented plan members and contributing entities are established and may be amended by the Commonwealth's Office of Administration and the Governor's Budget Office. Plan members who enrolled prior to July 1, 2005, are not required to make contributions. Plan members who enrolled after July 1, 2005, contribute a percentage of their final salary, the rate of which varies based on the plan member's enrollment date. Agency member (employer) contributions are established primarily on a pay-as-you-go basis. In fiscal year 2014/15, the State System contributed $334 for each current active employee per biweekly pay period. The State System made contributions of $30,765,000, $28,584,000, and $25,638,000 for the fiscal years ended June 30, 2015, 2014, and 2013, respectively, which equaled the required contributions for the year. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

NOTE 12 PENSION BENEFITS

Employees of the University enroll in one of three available retirement plans immediately upon employment: the Commonwealth of Pennsylvania State Employees' Retirement System (SERS), the Public School Employees' Retirement System (PSERS), or the Alternative Retirement Plan (ARP).

Following is the total of the State System's pension liabilities, pension assets, deferred outflows of resources and deferred inflows of resources related to pensions, and the pension expense and expenditures for the fiscal year ended June 30, 2015.

	SERS	PSERS	ARP	Total
Net pension liabilities	$ 51,412,761	$ 6,136,364	N/A	$ 57,549,125
Deferred outflows of resources	4,019,890	618,561	N/A	4,638,451
Deferred inflows of resources	638,957	438,709	N/A	1,077,666
Pension expense	5,876,496	578,728	3,290,723	9,745,947
Contributions made (pay-as-you-go)	3,998,424	448,871	3,290,723	7,738,018
Contributions recognized by pension plans	3,966,792	448,871	N/A	4,415,663

Contributions are due to and recognized by SERS based on the pay date. Contributions are due to and recognized by PSERS on the accrual basis; i.e., when the benefit is earned by the employee.

NOTE 12 PENSION BENEFITS (CONTINUED)

SERS

Plan Description

SERS is a governmental cost-sharing multiple-employer defined benefit plan that provides retirement, death, and disability benefits to employees of Pennsylvania state government and certain independent agencies. SERS is a component unit of the Commonwealth and is included in the Commonwealth's financial report as a pension trust fund. Membership in SERS is mandatory for most state employees. Members and employees of the General Assembly, certain elected or appointed officials in the executive branch, department heads, and certain employees in the field of education are not required, but are given the option, to participate. SERS issues a publicly available annual financial report that includes financial statements and required supplementary information for the plan. A copy of the report may be obtained from the SERS website at www.sers.state.pa.us.

Benefits Provided

SERS provides retirement, death, and disability benefits. Article II of the Commonwealth's Constitution assigns the authority to establish and amend the benefit provision of the plan to the General Assembly. Cost of Living Adjustments (COLA) are provided ad hoc at the discretion of the General Assembly.

Employees who were hired prior to January 1, 2011, and retire at age 60 with three years of service, or with 35 years of service if under age 60, are entitled to a normal annual retirement benefit; members of the General Assembly and certain employees classified in hazardous duty positions can retire with full benefits at age 50 with at least three years of service. Act 120 of 2010 (Act 120) preserved all benefits in place for members, but mandated a number of benefit reductions for new members effective January 1, 2011. The benefit reduction included a new class of membership that accrues benefits at 2% of members' final average salary instead of the previous 2.5%. The new vesting period changed from 5 to 10 years of credited service, and the option to withdraw lump-sum accumulated deductions was eliminated. The new normal retirement age is 65 for most employees and 55 for members of the General Assembly and certain employees classified in hazardous duty positions.

NOTE 12 PENSION BENEFITS (CONTINUED)

SERS (Continued)
Each class of benefits is based on a multiple of the base accrual rate of 2%, which is called the multiplier. Most members of SERS, and all state employees hired after June 30, 2001, and prior to January 1, 2011 (except state police officers and certain members of the judiciary and legislators), are Class AA members. The multiplier for Class AA is 1.25, which translates into an annual benefit of 2.5% of the member's highest three-year average salary multiplied by years of service. The general annual benefit for Class A members is 2% of the member's highest three-year average salary multiplied by years of service. Act 120 created a new A-3 class of service and an optional A-4 class for most employees that entered SERS membership for the first time on or after January 1, 2011. The general annual benefit for Class A-3 members is 2% of the member's highest three-year average salary multiplied by years of service, while the Class A-4 benefit accrual rate is 2.5%. State police, judges, Magisterial District Judges, and legislators are in separate classes with varying benefits.

According to the State Employees' Retirement Code (SERC), all obligations of SERS will be assumed by the Commonwealth should SERS terminate.

Contributions
The contribution rate for both active members and the University depends upon when the active member was hired and what benefits class was selected. Section 5507 of the SERC (71 Pa. C.S. §5507) requires the Commonwealth and other employers whose employees are SERS members to make contributions to the fund on behalf of all active members and annuitants necessary to fund the liabilities and provide the annuity reserves required to pay benefits. SERS funding policy, as set by the SERS Board, provides for periodic active member contributions at statutory rates. The SERS funding policy also provides for periodic employer contributions at actuarially determined rates based on SERS' funding valuation, expressed as a percentage of annual retirement covered payroll, such that the employer contributions, along with employee contributions and an actuarially determined rate of investment return, are adequate to accumulate assets to pay benefits when due. Act 120, however, imposed rate increase collars (limits on annual rate increases) on employer contributions. The collar for fiscal year 2013/14 was 4.5% and will remain at that rate until no longer needed.

The University contributed at actuarially determined rates of between 13.77% and 19.92% of active members' annual covered payroll at June 30, 2015. The University's contributions to SERS for the years ended June 30, 2015, 2014, and 2013, were $3,998,000, $3,075,000, and $2,141,000, respectively, equal to the required contractual contribution.

Contribution rates for most active members are between 5.0% and 6.25% of their qualifying compensation. New members hired after January 1, 2011, have a one-time election to choose a 9.3% contribution rate.

NOTE 12 PENSION BENEFITS (CONTINUED)

SERS (Continued)

Assumptions

The total SERS pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of December 31, 2014 and 2013, using the following actuarial assumptions, applied to all periods included in the measurement.

- Entry age actuarial cost method.
- Straight-line amortization of investments over five years and amortization of assumption changes and noninvestment gains/losses over the average expected remaining service lives of all employees that are provided benefits.
- Inflation of 2.75%.
- Investment return of 7.50%, net of expenses and including inflation.
- Salary increases based on an effective average of 6.1%, with a range of 4.30% to 11.05%, including inflation.
- Asset valuation using fair (market) value.
- Mortality rates based on the projected RP-2000 Mortality Tables, adjusted for actual plan experience and future improvement.
- Ad hoc cost of living adjustments (COLAs).

Some of the methods and assumptions mentioned above are based on the 17th Investigation of Actuarial Experience, which was published in January 2011 and analyzed experience from 2006 through 2010. The actuary made recommendations with respect to the actuarial assumptions and methods based on their analysis. The next experience study will cover the years 2011 through 2015 and is expected to be released in early 2016.

The long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class included in SERS' target asset allocation as of December 31, 2014, are summarized below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Alternative investments	15.00%	8.50%
Global public equity	40.00%	5.40%
Real assets	17.00%	4.95%
Diversifying assets	10.00%	5.00%
Fixed income	15.00%	1.50%
Liquidity reserve	3.00%	0.00%
	100.00%	

NOTE 12 PENSION BENEFITS (CONTINUED)

SERS (Continued)

The discount rate used to measure the total SERS pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the rates applicable for each member and that employer contributions will be made based on rates determined by the actuary. Based on those assumptions, SERS' fiduciary net position was projected to be available to make all projected future benefit payments of current and nonactive SERS members. Therefore, the long-term expected rate of return on SERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the University's proportionate share of the SERS net pension liability calculated using the discount rate of 7.50%, as well as what the SERS net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate.

Sensitivity of the State System's Proportionate Share of the SERS Net Pension Liability to Change in the Discount Rate

	1% Decrease 6.50%	Current Rate 7.50%	1% Increase 8.50%
2014	$65,807,000	$51,413,000	$39,036,000
2013	$62,133,000	$47,871,000	$35,612,000

Fiduciary Net Position

The fiduciary net positions of SERS, as well as additions to and deductions from SERS fiduciary net positions, have been determined on the same basis as they are reported in the SERS financial statements, which can be found at www.sers.state.pa.us.The plan schedules of SERS are prepared using the accrual basis of accounting and economic resources measurement focus in accordance with U.S. GAAP as prescribed by GASB. Employer contributions are recognized when due and the employer has a legal requirement to provide the contributions. Investments are reported at fair value. Detailed information on investment valuation can be found in the SERS financial statements. Management of SERS has made certain estimates and assumptions relating to employer allocation schedules, and actual results could differ.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the amount recognized as the University's proportionate share of the SERS net pension liability was $51,413,000. SERS measured the net pension liability as of December 31, 2014.

NOTE 12 PENSION BENEFITS (CONTINUED)

SERS (Continued)

The allocation percentage assigned to each participating employer is based on a projected-contribution method. For the allocation of the 2014 amounts, this methodology applies the most recently calculated contribution rates for Commonwealth fiscal year 2015/16 from the December 31, 2014, funding valuation to the expected funding payroll. For the allocation of the 2013 amounts, this methodology applies the contribution rates for fiscal year 2014/15 from the December 31, 2013, funding valuation to the expected funding payroll. At December 31, 2014, the University's proportion was 4.901%, a decrease of .061% from its proportion calculated as of December 31, 2013.

For the year ended June 30, 2015, the University recognized SERS pension expense of $5,876,496. At June 30, 2015, deferred outflows of resources and deferred inflows of resources related to the SERS pension are as follows.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 279,104	$ -
Net difference between projected and actual investment earnings	1,485,482	-
Changes in proportions	-	484,874
Difference between employer contributions and proportionate share of total contributions	-	154,083
Contributions after the measurement date	2,255,304	-
	$ 4,019,890	$ 638,957

The University will recognize the $2,255,304 reported as deferred outflows of resources resulting from pension contributions after the measurement date as a reduction of the SERS net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in SERS pension expense as follows.

Fiscal Year Ended	Amortization
June 30, 2016	$ 293,142
June 30, 2017	293,142
June 30, 2018	293,142
June 30, 2019	293,142
June 30, 2020	(46,937)

NOTE 12 PENSION BENEFITS (CONTINUED)

PSERS

Plan Description

PSERS is a governmental cost-sharing multiple-employer defined benefit pension plan that provides retirement, disability, and death benefits to public school employees of the Commonwealth. The members eligible to participate in PSERS include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. The Public School Employees' Retirement Code (Act No. 96 of October 2, 1975, as amended) (24 Pa. C.S. §§8101–9102) (the Code) is the authority by which PSERS benefits provisions and contribution requirements are established and may be amended. The Code requires contributions by active members, the employer (University), and the Commonwealth of Pennsylvania. PSERS is a component unit of the Commonwealth and is included in the Commonwealth's financial report as a pension trust fund. PSERS issues a comprehensive annual financial report that includes financial statements and required supplementary information for the plan. A copy of the report may be obtained from the PSERS website at www.psers.state.pa.us.

Benefits Provided

Members who joined prior to July 1, 2011, are eligible for monthly retirement benefits upon reaching age 62 with at least one year of credited service, age 60 with 30 or more years of credited service, or any age with 35 or more years of service. Act 120 preserved the benefits of members who joined prior to July 1, 2011, and introduced benefit reductions for individuals who become new members on or after July 1, 2011, by creating two new membership classes: Class T-E and Class T-F. To qualify for normal retirement, Class T-E and Class T-F members must complete a minimum of 35 years of service with a combination of age and service that totals 92 or greater, or they must work until age 65 with a minimum of three years of service.

Depending upon membership class, benefits are generally 2% or 2.5% of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. Members who joined prior to July 1, 2011, vest after completion of five years of service and may elect early retirement benefits. Class T-E and Class T-F members vest after completion of 10 years of service.

Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits.

NOTE 12 PENSION BENEFITS (CONTINUED)

PSERS (Continued)

Death benefits are payable upon the death of an active member who has reached age 62 with at least one year of credited service (age 65 with at least three years of credited service for Class T-E and Class T-F members) or has at least five years of credited service (10 years for Class T-E and Class T-F members). Such benefits are actuarially equivalent to the benefit that would have been effective if the member had retired on the day before death.

Member Contributions

Active members who joined PSERS prior to July 22, 1983, contribute at 5.25% (Class T-C members) or at 6.50% (Class T-D members) of the member's qualifying compensation. Members who joined PSERS on or after July 22, 1983, and who were active or inactive as of July 1, 2001, contribute at 6.25% (Class T-C) or at 7.5% (Class T-D) of the member's qualifying compensation. Members who joined PSERS after June 30, 2001, and before July 1, 2011, contribute at 7.5% (Class T-D). For these hires and for members who elected Class T-D, the 7.5% contribution rate began with service rendered on or after January 1, 2002. Members who joined PSERS after June 30, 2011, contribute at the rate of 7.5% (Class T-E) or 10.3% (Class T-F) of their qualifying compensation. Class T-E and Class T-F members are subject to a "shared risk" provision in Act 120 that could cause the rate in future years to fluctuate between 7.5% and 9.5% for Class T-E and 10.3% and 12.3% for Class T-F.

Employer Contributions

The University's contractually required contribution rate for PSERS for fiscal year ended June 30, 2015, was 20.5% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Per §8327 of the Code, the Commonwealth is required to contribute 50% of the contribution rate directly to PSERS on behalf of the University, meaning that the amount that the University actually contributed was 10.25% of covered payroll. The University's contribution to PSERS for the year ending June 30, 2015, was $448,871. The University's contributions to PSERS for the years ended June 30, 2014 and 2013, were $342,243 and $268,993, respectively, equal to the required contractual contribution.

Actuarial Assumptions

The total PSERS pension liability as of June 30, 2014, was determined by rolling forward PSERS' total pension liability as of the June 30, 2013, actuarial valuation to June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement.

- Actuarial cost method is entry age normal, level percent of pay.
- Inflation of 3%.
- Investment return of 7.50%, including inflation.
- Salary increases based on an effective average of 5.5%, which reflects an allowance for inflation, real wage growth of 1.0%, and merit or seniority increases of 1.05%.
- Mortality rates based on the RP-2000 Combined Healthy Annuitant Tables (male and female) with age set back three years for both males and females; for disabled annuitants, the RP-2000 Combined Disabled Tables (male and female) with age set back seven years for males and three years for females.

NOTE 12 PENSION BENEFITS (CONTINUED)

PSERS (Continued)

The actuarial assumptions used in the June 30, 2013, valuation were based on the experience study that was performed for the five-year period ending June 30, 2010. The recommended assumption changes based on this experience study were adopted by the PSERS Board of Trustees at its March 11, 2011, meeting and were effective beginning with the June 30, 2011, actuarial valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

PSERS' policy in regard to the allocation of invested plan assets is established and may be amended by the PSERS Board of Trustees. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension. Following is the PSERS Board of Trustees' adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2014.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public markets global equity	19.00%	5.00%
Private markets (equity)	21.00%	6.50%
Private real estate	13.00%	4.70%
Global fixed income	8.00%	2.00%
U.S. long treasuries	3.00%	1.40%
TIPS	12.00%	1.20%
High-yield bonds	6.00%	1.70%
Cash	3.00%	0.90%
Absolute return	10.00%	4.80%
Risk parity	5.00%	3.90%
MLPs/Infrastructure	3.00%	5.30%
Commodities	6.00%	3.30%
Financing (LIBOR)	-9.00%	1.10%
	100.00%	

The discount rate used to measure the total PSERS pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, PSERS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on PSERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 12 PENSION BENEFITS (CONTINUED)

PSERS (Continued)

The following presents the University's proportionate share of the PSERS net pension liability calculated using the discount rate of 7.50%, as well as what the PSERS net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate.

Sensitivity of the State System's Proportionate Share of the PSERS Net Pension Liability to Change in the Discount Rate		
1% Decrease 6.50%	Current Rate 7.50%	1% Increase 8.50%
$7,654,430	$6,136,364	$4,840,562

Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions and pension expense, the fiduciary net position of PSERS and additions to or deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported in the PSERS's financial statements. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Detailed information about PSERS' fiduciary net position is available in the PSERS Comprehensive Annual Financial Report, which can be found at www.psers.state.pa.us.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the amount recognized as the University's proportionate share of the PSERS net pension liability, plus the related PSERS pension support provided by the Commonwealth, is as follows.

Total PSERS net pension liability associated with the University	$ 12,272,728
Commonwealth's proportionate share of the PSERS net pension liability associated with the University	6,136,364
University's proportionate share of the PSERS net pension liability	$ 6,136,364

PSERS measured the net pension liability as of June 30, 2014. The total PSERS pension liability used to calculate the net pension liability was determined by rolling forward the total pension liability calculated as of June 30, 2013, to June 30, 2014. PSERS calculated the employer's proportion of the net pension liability using the employer's one-year reported covered payroll in relation to all participating employers' one-year reported covered payroll. At June 30, 2014, the State System's proportion was .1785%, an increase of .0051% from its proportion calculated as of June 30, 2013.

NOTE 12 PENSION BENEFITS (CONTINUED)

PSERS (Continued)

For the year ended June 30, 2015, the University recognized PSERS' pension expense of $578,728. At June 30, 2015, deferred outflows of resources and deferred inflows of resources related to the PSERS pension are as follows.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	$ -	$ 438,709
Changes in proportions	146,091	-
Difference between employer contributions and proportionate share of total contributions	25,620	-
Contributions after the measurement date	446,850	-
	$ 618,561	$ 438,709

The University will recognize the $446,850 reported as deferred outflows of resources resulting from pension contributions after the measurement date as a reduction of the PSERS net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as PSERS pension expense as follows.

Fiscal Year Ended	Amortization
June 30, 2016	$ (68,289)
June 30, 2017	(68,289)
June 30, 2018	(68,289)
June 30, 2019	(68,289)
June 30, 2020	6,208

ARP

Because the ARP is a defined contribution plan, benefits depend upon amounts contributed to the plan plus investment earnings. Act 188 empowers the Board to establish and amend benefit provisions. The State Employees' Retirement Code establishes the employer contribution rate for the ARP, while the Board establishes the employee contribution rates. Active members contribute at a rate of 5% of their qualifying compensation. The University contribution rate on June 30, 2015 and 2014 was 9.29% of qualifying compensation. The contributions to the ARP for the years ended June 30, 2015 and 2014 were approximately $3,291,000 and $3,320,060, respectively, from the University and $1,780,000 and $1,772,000, respectively, from active members.

NOTE 13 WORKERS' COMPENSATION

The University participates in the State System's self-insured workers' compensation plan. For claims occurring prior to July 1, 1995, the University is responsible for claims less than $100,000; for claims occurring on or after July 1, 1995, the University is responsible for claims less than $200,000. Claims in excess of the self-insurance limits are funded through the Workers' Compensation Collective Reserve Fund (Reserve Fund), to which the University contributes in the amount determined by an independent actuarial study. Based on updated actuarial studies, the University contributed $108,113 and $145,483 to the Reserve Fund for the years ended June 30, 2015 and 2014, respectively.

The liability for claims under the self-insurance limit and changes therein were as follows:

Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2015	$ 811,385	$ 171,581	$ (249,807)	$ 733,159
2014	$ 473,783	$ 641,871	$ (304,269)	$ 811,385

NOTE 14 RELATED PARTY TRANSACTIONS

Alumni Association

Slippery Rock University Alumni Association (the "Alumni Association") is a non-profit association formed to promote the welfare of the University by initiating and/or participating in fund raising drives aimed at providing scholarship assistance, research fellowships and grants, and additional facilities to meet special cultural, research or athletic needs. Since the Alumni Association operates under an independent governing board and management, the financial activity of the Alumni Association is not included in the University's financial statements.

Based upon internal financial statements, the Alumni Association had net assets of $2,539,499 at June 30, 2015 and $2,254,418 at June 30, 2014.

NOTE 14 RELATED PARTY TRANSACTIONS (CONTINUED)

Slippery Rock University Foundation (the "Foundation")

The Foundation, which is a component unit of the University, was organized for the purpose of raising private support, and managing funds which are used solely for the benefit and support of the University. The Foundation does this by raising private support to provide the University with resources not available through normal system funding, in accordance with restrictions, if any, imposed by donors. The primary source of income to the Foundation are contributions from both individual and corporate donors, investment income, and camp fees. The Foundation also has oversight and management of campus student housing complexes. Although the University does not control the timing or amount of receipts from the Foundation, the majority of the resources and income thereon is restricted for the activities of the University by donors. As of June 30, 2015 and 2014, the Foundation held $16,047,393 and $15,077,869 of permanently restricted net assets for the benefit of the University. Permanently restricted net assets are primarily comprised of scholarships.

The Foundation annually agrees with the University to manage the investment of monies received from various sources under the fiduciary agreement. The amount due to the University under this agreement as of June 30, 2015 and 2014 was $2,824,602 and $2,571,519, respectively. During the 2015 and 2014 fiscal years, the Foundation provided the following support to the University:

	2015	2014
Scholarships	$ 1,694,412	$ 1,538,096
Support of University Programs	995,415	1,017,185

The Foundation entered into an agreement with the University to provide office space, management and accounting personnel, computer and office equipment, and supplies at no cost. The total in-kind services provided to the Foundation by the University amounted to $205,763 and $231,797 in 2015 and 2014, respectively.

For the years ended June 30, 2015 and 2014, the University paid the Foundation $921,500 and $959,500, respectively for the cost of employee's salaries, benefits, and other expenses related to comprehensive fundraising services.

Slippery Rock Student Government Association (the "Association")

The Association, which is a component unit of the University, was organized to provide student services and to promote and support educational cultural and recreational activities for the students of the University. The Association primarily conducts student activity fee supported organizations, bookstore operations, vending machine operations, child day care and Pre-K Counts operations. During the years ended June 30, 2015 and 2014, the Association received $2,271,817 and $2,222,518, respectively, in student activity fees from the University.

NOTE 15 CONTINGENCIES

The nature of the education industry is such that, from time to time, the University is exposed to various risks of loss related to torts; alleged negligence; acts of discrimination; breach of contract; labor disputes; disagreements arising from the interpretation of laws or regulations; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. While some of these claims may be for substantial amounts, they are not unusual in the ordinary course of providing educational services in a higher education system.

The University is self-insured for workers' compensation up to stated limits (see Note 13). For all other risks of loss, the University pays annual premiums to the Commonwealth to participate in its Risk Management Program. The University does not participate in any public entity risk pools, and does not retain risk related to any aforementioned exposure, except for those amounts incurred relative to policy deductibles that are not significant. The University has not significantly reduced any of its insurance coverage from the prior year. It is not expected that the resolution of any outstanding claims and litigation will have a material adverse effect on the accompanying financial statements.

Under the terms of federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. The University's management believes disallowances, if any, will be immaterial.

Affordable Care Act Requirements

New regulations under the federal Affordable Care Act require the University to complete and submit various reports and forms to employees and the Internal Revenue Service (IRS) between January 31, 2016, and March 31, 2016, for the calendar year ending December 31, 2015. Failure to submit the required information accurately and on time could result in significant IRS penalties. The University is in the process of implementing the Affordable Care Act requirements and expects to be in compliance by the applicable deadlines. No reporting or compliance penalties are anticipated as of June 30, 2015.

SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR THE SYSTEM PLAN AND REHP (OPEB)
JUNE 30, 2015 AND 2014
(UNAUDITED)

Schedule of Funding Progress for the System Plan (OPEB)
(in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2012	$ -	$ 106,643	$ 106,643	- %	$ 42,853	248.9%
July 1, 2013	-	110,631	110,631	- %	44,139	250.6%
July 1, 2014	-	85,944	85,944	- %	43,853	196.0%

Schedule of Funding Progress for the REHP (OPEB)
(in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2012	$ 71,630	$ 12,843,700	$ 12,772,070	0.56 %	$ 4,130,000	309 %
July 1, 2013	82,060	13,234,040	13,151,980	0.62 %	4,264,000	308 %
January 1, 2015	144,744	16,134,419	15,989,675	0.90 %	4,289,099	373 %

The information above related to the Commonwealth's REHP as a whole; i.e., it is inclusive of all participating Commonwealth agencies and instrumentalities. Nearly all Commonwealth agencies and instrumentalities participate in the REHP.

SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF PROPORTIONATE SHARE OF PENSION LIABILITY (NPL)
(UNAUDITED)

Schedule of Proportionate Share of SERS Net Pension Liability (NPL)
Determined as of December 31, 2014, SERS Measurement Date
(in Thousands)

Fiscal Year	University's Proportion	University's Proportionate Share	University's Covered-Employee Payroll	University's Proportionate Share of NPL as a % of Covered-Employee Payroll	SERS Fiduciary Net Position as a % of Total Pension Liability
2014/15	0.0126%	$ 51,413	$ 20,970	245%	64.8%

SERS Schedule of Contributions

Fiscal Year	Contractually Required Contributions	Contributions Recognized by SERS in FY 2014/15	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a % of Covered-Employee Payroll
2014/15	$3,967	$3,967	$0	$ 20,970	18.90%

Schedule of Proportionate Share of PSERS Net Pension Liability
Determined as of June 30, 2014, PSERS Measurement Date
(in Thousands)

Fiscal Year	University's Proportion	PSERS Net Pension Liability			University's Covered-Employee Payroll	University's Proportionate Share of NPL as a % of Covered-Employee Payroll	PSERS Fiduciary Net Position as a % of Total Pension Liability
		University's Proportionate Share	Common-wealth's Proportionate Share	Total			
2014/15	0.0155%	$ 6,136	$ 6,136	$ 12,272	$1,978	310%	57.2%

PSERS Schedule of Contributions

Fiscal Year	Contractually Required Contributions	Contributions Recognized by PSERS in FY 2014/15	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a % of Covered-Employee Payroll
2014/15	$448	$448	$0	$1,978	23.0%

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State System of Higher Education
Slippery Rock, Pennsylvania

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of Slippery Rock University of Pennsylvania of the State System of Higher Education ("University") for the year ended June 30, 2015, and have issued our report thereon dated October 30, 2015. We did not audit the financial statements of the discretely presented component units, which statements reflect 100% of the total assets and 100% of the total net assets as of June 30, 2015 and 100% of the revenues of the discretely presented component units for the year then ended. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based on the reports of the other auditors. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the University are described in Note 1 to the financial statements.

As described in Note 1, the University changed accounting policies related to the accounting and financial reporting of its share of the defined benefit pension liabilities and expense, as well as the related deferred outflows of resources and deferred inflows of resources, allocated to it by the Commonwealth of Pennsylvania State Employees' Retirement System (SERS) and Public School Employees' Retirement System (PSERS). The July 1, 2014 balance of the net pension liability and related deferred outflows of resources and deferred inflows of resources is reported in the Statement of Revenues, Expenses, and Changes in Net Position as a restatement to the *2015 Net position-beginning of year* in the amount of $52 million. SERS and PSERS were not able to provide sufficient information to restate the June 30, 2014 financial statements.

Also described in Note 1 are several other GASB Statements that the University will be required to adopt in future years. The most significant pending GASB Statements are Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. These statements establish new accounting and financial reporting requirements for governments whose employees are provided with OPEB (other postemployment benefits), as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. These statements will require the State System to record its postretirement health care liability in its entirety. The State System expects that the amount recorded on the balance sheet as a postretirement health care liability will increase when Statement No. 75 is implemented, but the amount cannot be calculated until a new actuarial valuation is performed under the new standards. Furthermore, Statement No. 75 will require the University to record the liability for its employees who participate in the Commonwealth's Retired Employees Health Plan (REHP). Under current standards, the University does not report a share of the REHP's unfunded liability since the REHP is a multiple-employer cost-sharing plan administered by the Pennsylvania Employee Benefits Trust Fund (PEBTF).We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

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

- Management's estimate of the allowance for doubtful student accounts receivable is based on the University's historical tuition and fees revenue, historical losses and periodic review of individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the useful lives of capital assets and related depreciation expense is based on the University's current and historical information available to management. We evaluated the key factors and assumptions used to develop the useful lives of capital assets and the related depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the compensated absences liability is based on current and historical information on employee vacation and leave balances, salary and wage rates and other pertinent information available to management. We evaluated the key factors and assumptions used to develop the compensated absences liability estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the postretirement benefits liability and expense, the net pension liability, pension expense and the related deferred inflows and deferred outflows are based on actuarial calculations and allocations performed by third parties. We evaluated the key factors and assumptions used to develop the postretirement benefits liability, the net pension liability, pension expense and the related deferred inflows and deferred outflows in determining that these amounts are reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

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

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of the State System of Higher Education

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such agreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the attached management representation letter dated October 30, 2015.

Management consultations with other independent accountants

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

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Audits of group financial statements

We noted no matters related to the group audit that we consider to be significant to the responsibilities of those charged with governance of the group.

Quality of component auditor's work

There were no instances in which our evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work.

Limitations on the group audit

There were no restrictions on our access to information of components or other limitations on the group audit.

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of the State System of Higher Education

Other information in documents containing audited financial statements

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

* * *

This communication is intended solely for the information and use of the Council of Trustees and management of the University and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 30, 2015

SlipperyRock University

Dr. Amir Mohammadi
Vice President for Finance, Administrative Affairs and Advancement Services

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October 30, 2015

CliftonLarsonAllen LLP
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This representation letter is provided in connection with your audits of the financial statements of Slippery Rock University of Pennsylvania of the State System of Higher Education ("University"), which comprise the respective financial position of the business-type activities and aggregate discretely presented component units as of June 30, 2015and 2014, the respective changes in financial position, and, where applicable, cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

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

We confirm, to the best of our knowledge and belief, as of October 30, 2015, the following representations made to you during your audits of the financial statements as of and for the years ended June 30, 2015 and 2014.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 28, 2015, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. The financial statements include all properly classified funds and other financial information of the University and all component units required by U.S. GAAP to be included in the financial reporting entity.

- We acknowledge and have fulfilled our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

- We have identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions used in making those estimates, and we believe the estimates (including those measured at fair value) and the significant assumptions used in making those accounting estimates are reasonable.

- Significant estimates have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Significant estimates are estimates at the financial statement date that could change materially within the next year.

- Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

- All events occurring subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

- We have not identified or been notified of any uncorrected financial statement misstatements.

- The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

- Guarantees, if any, whether written or oral, under which the entity is contingently liable, if any, have been properly recorded or disclosed in accordance with U.S. GAAP.

- Arrangements with financial institutions involving repurchase, reverse repurchase, or securities lending agreements, compensating balances, or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements, have been properly recorded or disclosed in the financial statements.

- Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date and have been reduced, if necessary, to their estimated net realizable value.

- The methods and significant assumptions used to determine fair value of financial instruments resulted in a measure of fair value appropriate for financial statement measurement and disclosure purposes.

- We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

- Capital assets have been evaluated for impairment from any significant and unexpected decline in service utility. Impairment loss and insurance recoveries, if any, have been properly recorded.

- We believe that all material expenditures that have been deferred to future periods will be recoverable.

- We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefits (OPEB) liabilities and costs for financial accounting purposes are appropriate in the circumstances.

- We do not intend to withdraw from any multi-employer benefit plan.

- We do not plan to make frequent amendments to our pension or other postretirement benefit plans.

- Designations of net assets have been properly authorized, approved, and reflected in the financial statements.

Information Provided

- We have provided you with:
  - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters.
  - Additional information that you have requested from us for the purpose of the audit.
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - Complete minutes of the meetings of the Council of Trustees and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
  - All communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices, if any.
  - All communications from regulatory agencies, grantors, lenders, and other funding sources concerning noncompliance with the provisions of laws, regulations, contracts, and grant agreements.

- All material transactions have been recorded in the accounting records and are reflected in the financial statements.

- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others when the fraud could have a material effect on the financial statements.

- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, grantors, regulators, or others.

- We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations and provisions of contracts and grant agreements, or abuse whose effects should be considered when preparing financial statements.

- We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

- There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.

- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

- The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as made known to you and disclosed in the financial statements.

- We have a process to track the status of audit findings and recommendations.

- We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

- We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the University, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities.

- There are no violations or possible violations of budget laws and regulations, including those pertaining to adopting, approving, and amending budgets, provisions of contracts and grant agreements, debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or for reporting on noncompliance.

- The entity has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

- We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.

- We are responsible for determining whether we have received, expended, or otherwise been the beneficiary of any federal awards during the period of this audit. Our federal awards expended, which were received directly from federal agencies or indirectly as a subrecipient, were in an amount that cumulatively totals from all sources $500,000 or more. For this representation, "award" means financial assistance and federal cost-reimbursement contracts that non-federal entities receive directly from federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, user grants, or contracts used to buy goods or services from vendors.

- We have followed all applicable laws and regulations in adopting, approving, and amending budgets.

- The financial statements include all component units. We have no joint ventures with an equity interest, other joint ventures, jointly governed organizations, and other related organizations.

- The financial statements properly classify all funds and activities.

- No funds or component units meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major. No other funds or component units are presented as major or particularly important to financial statement users.

- Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.

- Investments, derivative instruments, and land and other real estate held by endowments are properly valued.

- Provisions for uncollectible receivables have been properly identified and recorded.

- Expenses have been appropriately classified in or allocated to functions and programs in the statement of revenues, expenses, and changes in net position, and allocations have been made on a reasonable basis.

- Revenues are appropriately classified in the statement of revenues, expenses, and changes in net position as operating and nonoperating.

- Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

- Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.

- Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.

- We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available and have determined that net assets were properly recognized under the policy.

- We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

- As part of your audit, you prepared the draft financial statements and related notes. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your services; have made all management judgments and decisions; and have assumed all management responsibilities. We have evaluated the adequacy and results of the service. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.

Signature: ______________________ Title: VP for Finance Administrative Affairs and Advancement Services

Amir Mohammadi, Vice President

Signature: Molly M Mercer Title: Assoc VP Finance

Molly Mercer, Associate Vice President for Finance

Signature: Timothy R. Harlan Title: Controller

Tim Harlan, Controller

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Council of Trustees
and Management of Slippery Rock University of Pennsylvania of the State System of Higher Education
Slippery Rock, Pennsylvania

In planning and performing our audit of the financial statements of the business-type activities and the aggregate discretely presented component units of Slippery Rock University of Pennsylvania of the State System of Higher Education as of and for the year ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the entity's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to fraud or error may occur and not be detected by such controls. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, the Council of Trustees, and others within the entity, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 30, 2015

Recruitment, marketing and admissions strategies

Slippery Rock University is strategically focused on building new markets with a focus on growing enrollments of online students, adult students, non-native English speakers, and international students. New program development is a critical element of the institution's plans for increasing enrollment. The new programs are based on market demand and designed to meet the University's strategic goals and to provide students with flexible and convenient opportunities for lifelong learning. Over the last five years, Slippery Rock University has developed the following new undergraduate and graduate programs and modified existing programs and tracks.

Undergraduate Programs

- Pre-Physician Assistant tracks in Biology, Exercise Science, Psychology, and Public Health
- Petroleum and Natural Gas Engineering
- Industrial and Systems Engineering
- Corporate Security and Homeland Security
- Integrated Marketing – Communication
- Physical Activity and Fitness Management
- Special Education Transition Programming
- Computing
- Psychology tracks in Developmental and Neuroscience
- Spanish & French Professional
- BFA in Dance

Graduate programs

- Special Education Doctorate
- Physician Assistant Studies,
- Business Administration
- Public Health
- Health Informatics
- Data Analytics
- Teaching for Online Instruction
- History
- English
- Music Therapy
- Athletic Training
- Teaching as a Second Language

Additionally, new undergraduate and graduate programs in development include:

- Electrical Engineering (BS)
- Musical Theatre (BFA)
- Leadership Studies (BA)
- Occupation Therapy (OTD)
- Healthcare Information Management (MS)
- Dance (MA)

New affiliation agreements with other institutions were developed in several pre-professional program areas including Engineering Technology, Dental, Pharmacy, Chiropractic, and Osteopathy programs. Additionally, two online degree completion programs were recently developed in Interdisciplinary Studies and Business Administration, which will be primarily marketed to adult learners who have not completed degrees. Initial recruitment efforts to former Slippery Rock students who left without finishing the degree have produced positive outcomes.

The use of certificates represents another important element in growing adult learning opportunities. Non-degree program credential stacking certificates are also being used as a way to increase adult learners. Over the last few years, certificates have been developed for credential stacking purposes in areas such as business, art, writing, sustainability, and security.

Recruitment of international students has increased significantly in the last two years. Global engagement staff, administrators and faculty members have attended student recruitment fairs in Vietnam, China, Sri Lanka, Turkey, England, Kazakhstan, Azerbaijan, Brazil, Ecuador, and Columbia. Articulation agreements with several universities in China and Vietnam, primarily in Hospitality Management and Tourism, and other programs in the College of Business, have been finalized or are near completion. Additional joint programs are under development. SRU's new English as a Second Language (ESL) program provides a potential source of new international students who come to SRU with the goal of meeting language requirements for admission, followed by matriculation into one of SRU's undergraduate programs. To prepare for an increased number of international students, the staffing of the Office for Global Engagement has been increased and a campus committee focused on globalization is being formed.Integrated marketing strategies, including broadcast, digital, social media, major print, and out-of-home, are directly linked to recruitment and admissions strategies. These strategies include the use of more than 70 student success videos, social media initiatives, and e-relationship communications. Marketing and recruitment strategies focus directly on the following institutional features: (1) diversity and quality of academic programs, (2) access to faculty, (3) value (affordability + academics + student life/living experiences + student outcomes), (4) quality of the SRU living/learning environment, and (5) student outcomes including internships, careers, and graduate school. Marketing and recruitment initiatives include the use of the tagline "Experience the Difference" as SRU's persuasive wedge to encourage prospective students and families to visit the campus and experience what sets SRU apart from its competitors making SRU the "Best Choice, First Choice."

A new responsive website which includes "Majors and Minors" marketing pages are used to inform prospective and current students of the university's degree program offerings. The majors and minors marketing webpages host a comprehensive set of curriculum guides, fact sheets, brochures, and links to the catalog and academic department websites for more than 150 undergraduate programs and move than 30 graduate programs. Integrated and advanced use of social media communications in the marketing and recruitment processes, including Facebook, Twitter, LinkedIn, YouTube, and Instagram are employed to build relationships and improve student engagement and connections. Social media initiatives are also used as calls to action, ways to connect with future classmates, responding to questions; building excitement, showcasing SRU, and creating connections to institutional resources, including faculty. Participation levels have increased greatly over the past two years as reported by an increase of followers on: Undergraduate Facebook, 136%; Graduate Facebook, 1299%; Twitter, 4,437%; and Instagram, 4,579%.

As a result of decreased state support, tuition has increased, resulting in decreased affordability of higher education. The University has worked to increase the merit and need-based aid resources. The University initiated the Rock Opportunity

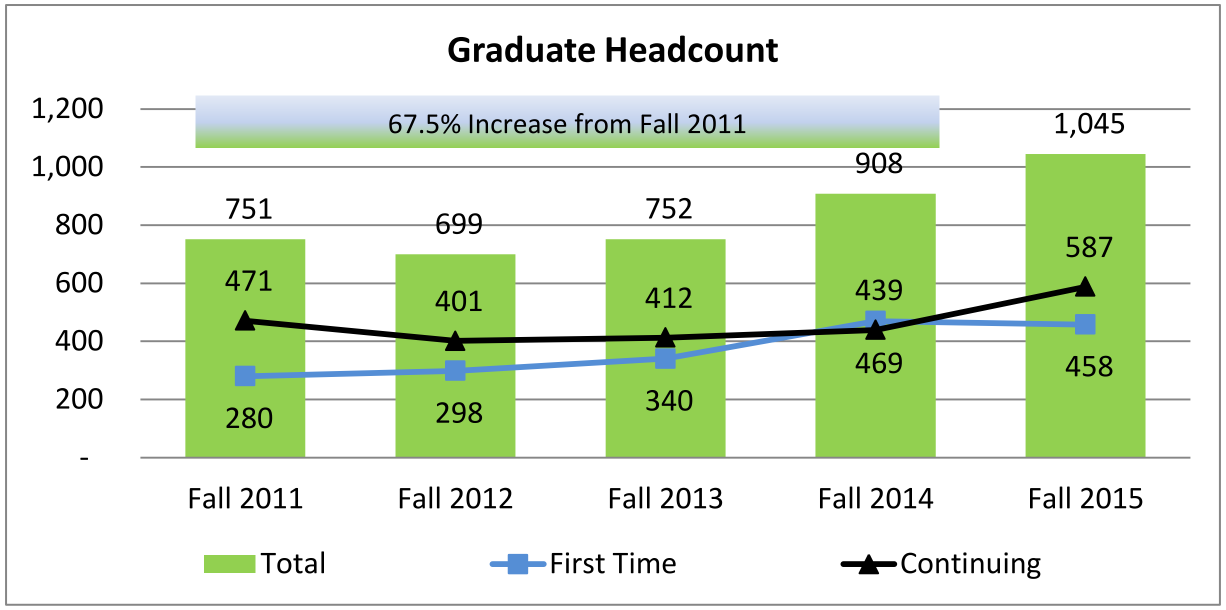
Scholarship program in 2009 to provide additional need-based aid to students. University resources assigned to the program increased from $625,000 in 2009-2010 to $750,000 in 2014-2015. SRU awarded approximately $964,360 in Board of Governors scholarships in 2014-2015 as compared to $903,743 in 2010-2011. Merit and academic scholarships funded by the foundation totaled $1,452,867 in 2014-2016, as compared to $1,380,289 in 2010-2011. Athletic scholarships increased to $1,110,534 in 2014-15 as compared to $887,305 in 2011-12. The University also initiated the "Academic Achievement" scholarship fund in 2014-2015 at an amount of $500,000. International students with a 3.0 from their transfer institution or high school institution receive a scholarship award in the amount of $1,500 per year.

Reduced state funding also means that private giving plays an increasingly important role in helping future students obtain a degree without incurring unreasonable student debt. The average student loan debt for Slippery Rock University in 2013-2014 is $30,458 as compared to $28,959 in 2011-2012. The average student loan debt for Pennsylvania graduates in 2013-2014 is $33,264 and nationally student loan debt was reported at $28,950. The student default rate is currently 4.4% as compared to 5.4% four years ago when we began using the three-year cohort measure. Slippery Rock University has the second lowest default rate among PASSHE institutions and is lower than both the national average of 11.8% and the public 4-year average of 7.6%.

Additionally, over the last two years, the Ruffalo Noel-Levitz Enrollment and Revenue Management System (ERMS) was employed to assess current scholarship strategies and direct resources accordingly. ERMS weekly reports are used to strategically assign transfer renewable scholarships based on FAFSA overlap and financial need. The results show that scholarships at the $2,000 to $2,500 levels are critically important to enrollment success in the current environment. The undergraduate admissions office also utilized the Ruffalo Noel – Levitz ForecastPlus System to manage and analyze admissions funnel data more strategically, and to identify those students who are most likely to enroll.

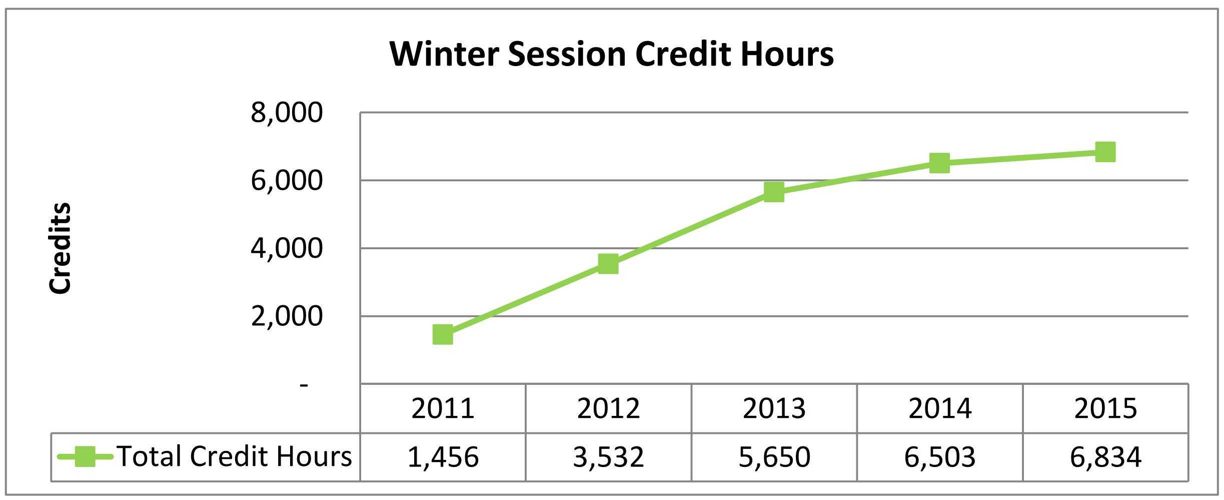
Enrollment data, including recruitment, registration, and retention data, is easily accessible across campus to strategically manage enrollment. Enrollment information is provided through an online portal-based reporting system. New student enrollment reports, registration reports, and retention reports are hosted on a robust reporting environment in an effort to personalize services, strengthen relationships, and make decisions. Information is placed in the hands of our users to accurately identify enrollment trends, pinpoint areas that need improvement/intervention, and serve as a means to build relationships with students. Dashboards are used for monitoring key performance indicators at the institutional level. Additionally, the Office of Research, Planning, and Assessment, in consultation with leadership in Enrollment Management, Student Success, Transformational Experiences, and Finance and Administration, developed a dynamic five-year enrollment projection model to understand the past, monitor the present conditions regularly, and predict enrollment outcomes over a five-year timeframe. The use of the projection model has improved both enrollment and financial planning for the institution.

Winter Session and Graduate Enrollment Trends



Graduate Headcont Enrollment by College

	Fall 2011	Fall 2012	Fall 2013	Fall 2014	Fall 2015
Business	-	-	-	44	26
Education	410	382	433	524	636
HE&S	275	271	272	283	313
Liberal Arts	55	45	46	56	67
Other	11	1	1	1	3
Total	751	699	752	908	1,045



Winter Session	2011	2012	2013	2014	2015
Undergraduate	1,198	2,883	4,350	4,784	5,072
Graduate	258	649	1,300	1,719	1,762
Total Credit Hours	1,456	3,532	5,650	6,503	6,834
% Increase		143%	60%	15%	5%
Undergraduate	358	796	1,173	1,281	1,347
Graduate	77	159	289	404	431
Total Headcount	435	955	1,462	1,685	1,778

Long Range Plan
University: Slippery Rock University of Pennsylvania

EDUCATIONAL & GENERAL FUND	Prior Year FY2014/15	Long Range Plan FY2015/16	Long Range Plan FY2016/17	Long Range Plan FY2017/18	Long Range Plan FY2018/19	Long Range Plan FY2019/20
REVENUE/SOURCES						
TUITION REVENUE						
Academic Year Tuition Revenue						
401 Undergraduate In-State Tuition	$42,792,044	$44,099,553	$45,634,379	$48,172,128	$50,370,049	$52,879,774
402 Undergraduate Out-of-State Tuition	8,624,793	9,156,108	9,470,131	9,996,769	10,452,886	10,973,709
403 Graduate In-State Tuition	5,871,817	6,412,543	8,287,846	9,459,925	10,054,049	10,450,502
404 Graduate Out-State Tuition	1,483,952	1,424,795	1,839,871	2,100,149	2,232,072	2,320,095
Total Academic Year Tuition Revenue	$58,772,606	$61,092,999	$65,232,227	$69,728,971	$73,109,055	$76,624,080
Intersession Tuition Revenue (Winter & Summer)						
401 Undergraduate In-State Tuition	$4,540,683	$4,801,828	$4,999,848	$5,164,449	$5,322,919	$5,489,009
402 Undergraduate Out-of-State Tuition	730,910	755,882	702,698	726,984	750,890	775,887
403 Graduate In-State Tuition	3,192,553	3,645,360	4,191,481	4,756,924	5,456,436	6,230,526
404 Graduate Out-State Tuition	495,275	541,239	630,337	719,197	837,765	969,540
Total Intersession Tuition Revenue	$8,959,421	$9,744,309	$10,524,363	$11,367,554	$12,368,010	$13,464,963
Total Tuition Revenue						
401 Undergraduate In-State Tuition	$47,332,727	$48,901,381	$50,634,227	$53,336,577	$55,692,968	$58,368,783
402 Undergraduate Out-of-State Tuition	9,355,703	9,911,989	10,172,829	10,723,753	11,203,776	11,749,596
403 Graduate In-State Tuition	9,064,370	10,057,903	12,479,326	14,216,849	15,510,485	16,681,029
404 Graduate Out-State Tuition	1,979,227	1,966,034	2,470,207	2,819,346	3,069,837	3,289,635
TOTAL TUITION REVENUE	$67,732,027	$70,837,308	$75,756,590	$81,096,525	$85,477,065	$90,089,042
NON-TUITION REVENUE						
405 Non-Credit Continuing Education Fees	$165,125	$88,716	$89,588	$90,469	$91,358	$92,257
407 Technology Fee	4,094,308	4,250,238	4,560,137	4,870,018	5,123,085	5,391,622
408 Academic/Instruction Fees	6,988,590	7,404,888	7,988,066	8,553,660	9,031,224	9,509,662
409 Other Mandatory Student Fees	3,034,081	3,187,679	3,256,148	3,357,254	3,414,861	3,480,458
410 Nonmandatory Student Fees	748,097	743,792	765,902	773,561	785,938	800,871
411 Scholarship Discounts & Allow. (enter as negative)	(2,153,908)	(2,142,000)	(2,186,982)	(2,252,591)	(2,320,169)	(2,389,774)
412 State Appropriations						
Base Allocations	$27,964,489	$30,338,615	$30,338,615	$30,338,615	$30,338,615	$30,338,615
AFRP	424,464	424,464	424,464	424,464	424,464	424,464
Performance Funding	3,932,269	3,766,530	3,766,530	3,766,530	3,766,530	3,766,530
Other E&G (McKeever, Reserve, etc.)	302,032	302,032	302,032	302,032	302,032	302,032
E&G Appropriation, Total	$32,623,254	$34,831,641	$34,831,641	$34,831,641	$34,831,641	$34,831,641
414 Federal Appropriations		-	-	-	-	-
421 Gov't Grants & Contracts-Federal	28,532	28,532	28,532	28,532	28,532	28,532
422 Gov't Grants & Contracts-State	-	-	-	-	-	-
423 Gov't Grants & Contracts-Local	-	-	-	-	-	-
424 Gov't Grants & Contracts-System	52,063	52,063	52,063	52,063	52,063	52,063
425 Private Grants and Contracts	4,016	4,016	4,016	4,016	4,016	4,016
431 Gifts	-	-	-	-	-	-
451 Endowment Income	-	-	-	-	-	-
452 Income on Other Investments	859,720	864,004	864,004	868,324	872,665	877,029
453 Investment Expenses (enter as negative)	(16,068)	-	-	-	-	-
454 Unrealized Gain (Loss) on Investments	-	-	-	-	-	-
455 Unrealized Gain (Loss) on Disposal of Assets	-	-	-	-	-	-
463 Privatized Housing	533,585	436,682	436,682	436,682	436,682	436,682
469 Sales and Services	2,102,414	2,126,151	2,147,412	2,168,886	2,190,575	2,212,481
470 Cogeneration Sales (IUP only)	-	-	-	-	-	-
475 Corporate Partnerships	73,857	73,857	73,857	73,857	73,857	73,857
478 Parking & Library Fines	112,567	113,693	114,830	115,978	117,138	118,309
479 Miscellaneous Revenue	487,299	467,609	472,285	477,008	481,778	486,596
496 Carry Forward Fund Balance		-	-	-	-	-
498 Prior-Year Corrections	(34)	-	-	-	-	-
TOTAL NON-TUITION REVENUE	$51,891,406	$54,673,559	$55,685,161	$56,701,948	$57,535,413	$58,396,075
TOTAL REVENUE/SOURCES	$119,623,433	$125,510,867	$131,441,751	$137,798,473	$143,012,478	$148,485,117

EDUCATIONAL & GENERAL FUND	Prior Year FY2014/15	Long Range Plan FY2015/16	Long Range Plan FY2016/17	Long Range Plan FY2017/18	Long Range Plan FY2018/19	Long Range Plan FY2019/20
PERSONNEL EXPENDITURES						
Faculty Compensation						
501 Salaries	$32,111,448	$33,622,373	$35,612,953	$36,814,999	$38,361,229	$40,010,762
502 Wages	358	27,241	1,025	$1,077	1,123	1,171
511 Faculty Summer School Pay	2,603,863	2,663,824	2,675,199	$2,810,630	2,928,676	3,054,609
512 Faculty Overload	486,014	477,055	505,325	$530,907	553,205	576,993
513 Other Faculty Pay	590,194	411,817	609,875	$640,750	667,662	696,371
515 Faculty Winter Session Pay	948,714	955,000	978,875	$1,028,431	1,071,625	1,117,705
530 Sick Leave Pay-Out	423,165	122,988	225,500	$236,916	246,867	257,482
531 Annual Leave Pay-Out	12,057	2,519	-	$0	-	-
540-541 Social Security	2,715,522	2,802,622	3,104,298	$3,216,242	3,351,324	3,495,431
542 Unemployment Compensation	75,779	77,052	110,000	$110,000	110,000	110,000
543 Workers' Compensation		-	-	$0	-	-
550 Retirement Contributions - SERS	1,684,840	1,930,942	2,013,865	$2,027,026	1,982,431	1,966,572
551 Retirement Contributions - PSERS	295,766	282,434	264,038	$267,538	275,751	281,597
552-557 Retirement Contributions - ARP	2,310,816	2,495,279	2,912,222	$2,960,018	2,960,018	2,960,018
558 Employees' Group Life Insurance	48,873	52,732	55,899	$57,084	57,084	57,084
560 Employees' H/W Fund	461,704	518,841	433,647	$441,528	441,528	441,528
561 Employees' Hospitalization Insurance	3,729,039	4,750,273	4,861,468	$5,300,822	5,761,994	6,269,049
562 Annuitants' Hospitalization	1,822,068	1,923,807	2,346,177	$2,545,975	2,767,475	3,011,013
563 PSERS Healthcare Premium Assistance		8,901	7,506	$7,457	8,106	8,819
597-598 Tuition Waiver - Employee Eligible	331,210	342,802	353,086	363,679	374,589	385,827
599 Other Fee Waiver - Employee Eligible	-	-	-	-	-	-
Sub-Total, Faculty Compensation	$50,651,430	$53,468,503	$57,070,959	$59,361,078	$61,920,685	$64,702,029
AFSCME Compensation						
501 Salaries	$9,255,502	$9,395,788	$10,053,175	$10,265,326	$10,521,959	$10,785,008
502 Wages	235,041	232,160	232,990	$238,815	244,785	250,905
513 Other	44,032	40,914	30,390	$31,150	31,928	32,727
520-521 Overtime	573,790	793,076	501,000	$525,082	538,209	551,664
530 Sick Leave Pay-Out	117,010	5,279	131,690	$139,996	143,495	147,083
531 Annual Leave Pay-Out	96,348	32,526	91,170	$96,920	99,343	101,826
540-541 Social Security	770,643	793,387	841,307	$861,121	882,649	904,715
542 Unemployment Compensation	28,779	21,507	30,000	$50,000	50,000	50,000
543 Workers' Compensation	249,874	217,202	350,000	$350,000	350,000	350,000
550 Retirement Contributions - SERS	1,433,056	1,806,705	2,078,709	$2,121,597	2,038,854	1,987,883
551 Retirement Contributions - PSERS	65,248	84,776	87,602	$89,060	91,794	93,740
552-557 Retirement Contributions - ARP	185,897	195,883	239,022	$239,946	239,946	239,946
558 Employees' Group Life Insurance	25,242	25,350	27,236	$27,255	27,255	27,255
560 Employees' H/W Fund	n/a	n/a	n/a	$0	-	-
561 Employees' Hospitalization Insurance	2,980,340	3,345,427	3,213,324	$3,425,139	3,664,898	3,921,441
562 Annuitants' Hospitalization	2,208,721	2,732,969	2,957,496	$3,152,448	3,373,119	3,609,237
563 PSERS Healthcare Premium Assistance		2,817	2,488	$2,478	2,652	2,837
597-598 Tuition Waiver - Employee Eligible	497,209	514,611	530,049	545,951	562,329	579,199
599 Other Fee Waiver - Employee Eligible	-	-	-	-	-	-
Sub-Total, AFSCME Compensation	$18,766,732	$20,240,377	$21,397,648	$22,162,281	$22,863,216	$23,635,467

EDUCATIONAL & GENERAL FUND	Prior Year FY2014/15	Long Range Plan FY2015/16	Long Range Plan FY2016/17	Long Range Plan FY2017/18	Long Range Plan FY2018/19	Long Range Plan FY2019/20
Nonrepresented Compensation						
501 Salaries	$7,700,609	$8,029,831	$8,716,783	$8,900,471	$9,122,982	$9,351,057
502 Wages	24,423	40,794	90,212	$93,476	95,812	98,208
513 Other	69,899	67,730	82,102	$86,081	88,233	90,438
520-521 Overtime	-	413	-	$0	-	-
530 Sick Leave Pay-Out	149,734	212,956	194,750	$204,609	209,725	214,968
531 Annual Leave Pay-Out	116,558	112,580	123,000	$129,227	132,458	135,769
540-541 Social Security	559,651	601,647	664,408	$681,954	699,003	716,478
542 Unemployment Compensation	14,846	-	9,500	$9,500	9,500	9,500
543 Workers' Compensation	-	-	-	$0	-	-
550 Retirement Contributions - SERS	389,362	566,062	576,371	$588,110	565,174	551,045
551 Retirement Contributions - PSERS	63,107	87,470	102,367	$104,071	107,266	109,540
552-557 Retirement Contributions - ARP	473,688	469,706	549,934	$547,827	547,827	547,827
558 Employees' Group Life Insurance	13,939	14,952	15,433	$330	330	330
560 Employees' H/W Fund	87,406	103,275	87,148	$92,875	92,875	92,875
561 Employees' Hospitalization Insurance	961,185	1,216,981	1,154,231	$1,230,301	1,316,422	1,408,571
562 Annuitants' Hospitalization	437,172	463,372	546,658	$582,691	623,480	667,123
563 PSERS Healthcare Premium Assistance		2,903	2,907	$2,895	3,098	3,315
597-598 Tuition Waiver - Employee Eligible	151,403	156,702	161,403	166,245	171,232	176,369
599 Other Fee Waiver - Employee Eligible	-	-	-	-	-	-
Sub-Total, Nonrepresented Compensation	$11,212,982	$12,147,371	$13,077,207	$13,420,662	$13,785,416	$14,173,412
SCUPA Compensation						
501 Salaries	$1,659,988	$1,735,785	$1,807,157	$1,845,435	$1,891,571	$1,938,860
502 Wages	54,746	119,807	151,673	$156,178	160,082	164,084
513 Other Pay	5,849	5,373	3,267	$3,321	3,404	3,489
515 Winter Session Pay		-	4,727	$6,299	6,456	6,618
520-521 Overtime	2,955	15,231	7,500	$7,688	7,880	8,077
530 Sick Leave Pay-Out	-	39,744	5,000	$5,125	5,253	5,384
531 Annual Leave Pay-Out	714	40,715	8,713	$9,153	9,382	9,617
540-541 Social Security	129,988	147,912	151,471	$154,802	158,672	162,639
542 Unemployment Compensation	22,945	-	8,000	$8,000	8,000	8,000
543 Workers' Compensation	-	-	-	$0	-	-
550 Retirement Contributions - SERS	131,998	167,275	212,821	$217,030	208,566	203,351
551 Retirement Contributions - PSERS	-	-	-	$0	-	-
552-557 Retirement Contributions - ARP	96,646	98,368	98,693	$98,318	98,318	98,318
558 Employees' Group Life Insurance	4,416	4,614	4,769	$4,765	4,765	4,765
560 Employees' H/W Fund	n/a	n/a	n/a	$0	-	-
561 Employees' Hospitalization Insurance	370,380	427,029	397,063	$423,237	452,864	484,564
562 Annuitants' Hospitalization	160,381	170,536	196,074	$208,998	223,628	239,282
563 PSERS Healthcare Premium Assistance		-	-	$0	-	-
597-598 Tuition Waiver - Employee Eligible	32,195	33,322	34,321	35,351	36,412	37,504
599 Other Fee Waiver - Employee Eligible	-	-	-	-	-	-
Sub-Total, SCUPA Compensation	$2,673,201	$3,005,711	$3,091,250	$3,183,699	$3,275,252	$3,374,552

EDUCATIONAL & GENERAL FUND	Prior Year FY2014/15	Long Range Plan FY2015/16	Long Range Plan FY2016/17	Long Range Plan FY2017/18	Long Range Plan FY2018/19	Long Range Plan FY2019/20
Other Compensation						
501 Salaries	$2,614,406	$2,652,708	$2,951,696	$3,013,927	$3,089,275	$3,166,507
502 Wages	72,534	62,220	61,725	$63,268	64,850	66,471
510 Student Employment	1,737,278	1,900,000	1,900,000	$1,947,500	1,947,500	1,947,500
513 Other	30,580	40,824	46,730	$49,075	50,302	51,559
520-521 Overtime	153,574	233,067	178,351	$187,380	192,065	196,866
530 Sick Leave Pay-Out	-	-	9,225	$9,692	9,935	10,183
531 Annual Leave Pay-Out	1,319	4,209	7,176	$7,538	7,726	7,919
540-541 Social Security	242,674	248,496	257,159	$263,341	269,925	276,673
542 Unemployment Compensation	13,356	282	15,000	$15,000	15,000	15,000
543 Workers' Compensation	-	-	-	$0	-	-
550 Retirement Contributions - SERS	220,435	261,391	297,367	$303,589	291,749	284,456
551 Retirement Contributions - PSERS	15,603	10,343	8,883	$9,031	9,308	9,506
552-557 Retirement Contributions - ARP	161,637	162,294	188,072	$187,845	187,845	187,845
558 Employees' Group Life Insurance	5,964	6,219	6,582	$6,586	6,586	6,586
560 Employees' H/W Fund	38,773	41,825	45,867	$48,881	48,881	48,881
561 Employees' Hospitalization Insurance	529,284	686,852	653,985	$700,051	749,054	801,488
562 Annuitants' Hospitalization	248,283	261,378	307,495	$327,763	350,707	375,256
563 PSERS Healthcare Premium Assistance		252	252	$251	269	288
597-598 Tuition Waiver - Employee Eligible	997,609	1,032,525	1,063,501	1,095,406	1,128,268	1,162,116
599 Other Fee Waiver - Employee Eligible	-	-	-	-	-	-
Sub-Total, Other Compensation	$7,083,309	$7,604,884	$7,999,066	$8,236,126	$8,419,245	$8,615,101
Total Personnel Expenditures						
501 Salaries	$53,341,953	$55,436,485	$59,141,765	$60,840,158	$62,987,017	$65,252,195
502 Wages	387,102	482,222	537,625	552,814	566,652	580,839
510 Student Employment	1,737,278	1,900,000	1,900,000	1,947,500	1,947,500	1,947,500
511 Faculty Summer School Pay	2,603,863	2,663,824	2,675,199	2,810,630	2,928,676	3,054,609
512 Faculty Overload	486,014	477,055	505,325	530,907	553,205	576,993
513 Other Faculty Pay	590,194	411,817	609,875	640,750	667,662	696,371
513 Other	150,360	154,841	162,489	169,626	173,867	178,214
515 Faculty Winter Session Pay	948,714	955,000	983,602	1,034,729	1,078,081	1,124,322
520-521 Overtime	730,319	1,041,787	686,851	720,150	738,153	756,607
530 Sick Leave Pay-Out	689,909	380,967	566,165	596,339	615,275	635,100
531 Annual Leave Pay-Out	226,996	192,548	230,059	242,838	248,909	255,132
540-541 Social Security	4,418,478	4,594,064	5,018,644	5,177,459	5,361,572	5,555,935
542 Unemployment Compensation	155,705	98,841	172,500	192,500	192,500	192,500
543 Workers' Compensation	249,874	217,202	350,000	350,000	350,000	350,000
550 Retirement Contributions - SERS	3,859,691	4,732,373	5,179,133	5,257,352	5,086,775	4,993,307
551 Retirement Contributions - PSERS	439,724	465,023	462,890	469,700	484,120	494,383
552-557 Retirement Contributions - ARP	3,228,684	3,421,531	3,987,943	4,033,953	4,033,953	4,033,953
558 Employees' Group Life Insurance	98,434	103,867	109,920	96,020	96,020	96,020
560 Employees' H/W Fund	587,883	663,941	566,662	583,284	583,284	583,284
561 Employees' Hospitalization Insurance	8,570,228	10,426,562	10,280,071	11,079,549	11,945,231	12,885,114
562 Annuitants' Hospitalization	4,876,625	5,552,062	6,353,900	6,817,875	7,338,408	7,901,911
563 PSERS Healthcare Premium Assistance	-	14,872	13,152	13,082	14,124	15,259
597-598 Tuition Waiver - Employee Eligible	2,009,626	2,079,962	2,142,360	2,206,631	2,272,830	2,341,015
599 Other Fee Waiver - Employee Eligible	-	0	0	0	0	0
Total Personnel Expenditures	$90,387,654	$96,466,846	$102,636,129	$106,363,846	$110,263,814	$114,500,562
Anticipated savings from turnover (should be a negative number)						
Net Total Personnel Expenditures	$90,387,654	$96,466,846	$102,636,129	$106,363,846	$110,263,814	$114,500,562

EDUCATIONAL & GENERAL FUND	Prior Year FY2014/15	Long Range Plan FY2015/16	Long Range Plan FY2016/17	Long Range Plan FY2017/18	Long Range Plan FY2018/19	Long Range Plan FY2019/20
REVENUE/SOURCES SUMMARY						
Tuition (401-404)	$67,732,027	$70,837,308	$75,756,590	$81,096,525	$85,477,065	$90,089,042
Fees (405-410)	15,030,201	15,675,312	16,659,840	17,644,961	18,446,466	19,274,869
State Appropriation (412)	32,623,254	34,831,641	34,831,641	34,831,641	34,831,641	34,831,641
Auxiliary Sales (461-468)	n/a	n/a	n/a	n/a	n/a	n/a
All Other Revenue (414-456, 469-479, 498)	4,237,951	4,166,606	4,193,680	4,225,346	4,257,306	4,289,564
Carry Forward Fund Balance (496)	0	0	0	0	0	0
TOTAL REVENUE/SOURCES	$119,623,433	$125,510,867	$131,441,751	$137,798,473	$143,012,478	$148,485,117
EXPENDITURES & TRANSFERS						
PERSONNEL EXPENDITURES SUMMARY						
Salaries & Wages (501-531)	$61,892,702	$64,096,545	$67,998,955	$70,086,441	$72,504,997	$75,057,882
Incremental Benefits (540-557)	12,352,156	13,529,035	15,171,109	15,480,965	15,508,920	15,620,078
Fixed Rate Benefits (558-562)	14,133,170	16,761,304	17,323,704	18,589,810	19,977,067	21,481,587
Educational Benefits (597-599)	2,009,626	2,079,962	2,142,360	2,206,631	2,272,830	2,341,015
Turnover Savings	0	0	0	0	0	0
TOTAL PERSONNEL EXPENDITURES	$90,387,654	$96,466,846	$102,636,129	$106,363,846	$110,263,814	$114,500,562
SERVICES & SUPPLIES EXPENDITURES						
Travel and Transportation (615-616)	$1,614,248	1,846,533	1,883,464	$1,921,133	$1,959,556	$1,998,747
Utilities (640-646)	2,664,663	2,716,725	2,798,227	2,882,174	2,968,639	3,057,698
Rental/Lease - Real Estate (651)	33,440	85,800	90,090	94,595	99,324	104,290
Bad Debt Expense (696)	833,927	863,114	889,008	915,678	943,148	971,443
Student Aid						
Scholarship Discounts & Allow. (Prior Yr. from above, 411)	2,153,908	2,142,000	2,186,982	2,252,591	2,320,169	2,389,774
Student Aid Expense (695)	768,549	1,300,000	1,800,000	1,800,000	1,800,000	1,800,000
Student Aid, Subtotal	2,922,457	3,442,000	3,986,982	4,052,591	4,120,169	4,189,774
All Other (605-635 (exclude 615-616), 650, 655-690)	13,716,989	14,128,499	14,411,069	14,699,290	14,993,276	15,293,141
TOTAL SVCS & SUPPLIES EXPENDITURES	$21,785,724	$23,082,671	$24,058,839	$24,565,460	$25,084,112	$25,615,093
CAPITAL EXPENDITURES						
Land & Structures (700-730)	$0	-	-	$0	$0	$0
Equipment, Furniture, & Furnishings (740, 750)	382,249	389,894	397,692	405,646	413,759	422,034
Library (760)	73,741	75,216	76,720	78,255	79,820	81,416
Construction in Progress (770)	0	-	-	-	-	-
TOTAL CAPITAL EXPENDITURES	$455,990	$465,110	$474,412	$483,900	$493,578	$503,450
TOTAL NON-PERSONNEL EXPENDITURES	$22,241,714	$23,547,781	$24,533,251	$25,049,361	$25,577,690	$26,118,543
TRANSFERS						
Mandatory Transfers - Transfers out/(in) to pay debt principal and ir	$1,971,080	1,909,424	2,393,143	2,356,505	2,356,786	2,356,246
Non-mandatory Transfers - Transfers out/(in) for equipment, capital	4,730,305	3,586,816	1,879,229	2,500,000	2,550,000	2,601,000
TOTAL TRANSFERS	$6,701,385	$5,496,240	$4,272,371	$4,856,505	$4,906,786	$4,957,246
TOTAL EXPENDITURES & TRANSFERS	$119,330,753	$125,510,867	$131,441,751	$136,269,712	$140,748,290	$145,576,351
REVENUE LESS EXPENDITURES & TRANSFERS	$292,680	$0	$0	$1,528,761	$2,264,188	$2,908,766

Long Range Plan
Slippery Rock University of Pennsylvania

AUXILIARY FUND	Actual FY2014/15	Long Range Plan FY2015/16	Long Range Plan FY2016/17	Long Range Plan FY2017/18	Long Range Plan FY2018/19	Long Range Plan FY2019/20
REVENUE/SOURCES						
409 Other Mandatory Student Fees	$4,588,304	$4,676,804	$4,746,956	$4,818,161	$4,890,433	$4,963,790
410 Nonmandatory Student Fees		0	0	0	0	0
411 Scholarship Discounts & Allow. (enter as negative)	(295,554)	0	0	0	0	0
421 Gov't Grants & Contracts-Federal		0	0	0	0	0
422 Gov't Grants & Contracts-State		0	0	0	0	0
423 Gov't Grants & Contracts-Local		0	0	0	0	0
425 Private Grants & Contracts	422,500	310,000	310,000	310,000	310,000	310,000
431 Gifts		0	0	0	0	0
451 Endowment Income		0	0	0	0	0
452 Income on Other Investments		0	0	0	0	0
453 Investment Expenses (enter as negative)		0	0	0	0	0
454 Unrealized Gain (Loss) on Investments		0	0	0	0	0
455 Gain (Loss) on Disposal of Assets		0	0	0	0	0
461 Food Service Sales	9,901,374	9,651,374	10,500,000	10,710,000	10,924,200	11,142,684
462 Housing Fees	3,006,081	3,066,203	3,219,513	3,283,903	3,283,903	3,283,903
463 Privatized Housing	3,795,703	3,919,661	3,919,661	3,919,661	3,919,661	3,919,661
465 Bookstore Sales		0	0	0	0	0
468 Other Auxiliary Sales	541,637	564,918	570,568	576,273	582,036	587,856
469 Sales and Services	690,387	1,210,593	499,216	499,216	499,216	499,216
475 Corporate Partnerships		0	0	0	0	0
479 Miscellaneous Revenue	16,940	15,000	15,000	15,000	15,000	15,000
496 Planned Use of Carry Forward		0	0	0	0	0
498 Prior-Year Corrections		0	0	0	0	0
TOTAL REVENUE/SOURCES	$22,962,926	$23,414,553	$23,780,914	$24,132,214	$24,424,449	$24,722,110

AUXILIARY FUND	Actual FY2014/15	Long Range Plan FY2015/16	Long Range Plan FY2016/17	Long Range Plan FY2017/18	Long Range Plan FY2018/19	Long Range Plan FY2019/20
PERSONNEL EXPENDITURES						
Faculty Compensation						
501 Salaries		$0	$0	$0	$0	$0
502 Wages		0	0	0	0	0
511 Faculty Summer School Pay		0	0	0	0	0
512 Faculty Overload		0	0	0	0	0
513 Other Faculty Pay		0	0	0	0	0
515 Faculty Winter Session Pay		0	0	0	0	0
530 Sick Leave Pay-Out		0	0	0	0	0
531 Annual Leave Pay-Out		0	0	0	0	0
540-541 Social Security		0	0	0	0	0
542 Unemployment Compensation		0	0	0	0	0
543 Workers' Compensation		0	0	0	0	0
550 Retirement Contributions - SERS		0	0	0	0	0
551 Retirement Contributions - PSERS		0	0	0	0	0
552-557 Retirement Contributions - ARP		0	0	0	0	0
558 Employees' Group Life Insurance		0	0	0	0	0
560 Employees' H/W Fund		0	0	0	0	0
561 Employees' Hospitalization Insurance		0	0	0	0	0
562 Annuitants' Hospitalization		0	0	0	0	0
563 PSERS Healthcare Premium Assistance		0	0	0	0	0
597-598 Tuition Waiver - Employee Eligible		0	0	0	0	0
599 Other Fee Waiver - Employee Eligible		0	0	0	0	0
Sub-Total, Faculty Compensation	$0	$0	$0	$0	$0	$0
AFSCME Compensation						
501 Salaries	$324,766	$324,961	$317,938	$325,886	$334,034	$342,384
502 Wages	28,216	28,216	28,216	28,921	29,644	30,386
513 Other	1,468	1,318	1,307	1,339	1,373	1,407
520-521 Overtime	13,083	11,202	11,202	11,482	11,769	12,063
530 Sick Leave Pay-Out	0	0	0	0	0	0
531 Annual Leave Pay-Out	0	0	0	0	0	0
540-541 Social Security	28,043	25,044	24,323	24,931	25,554	26,193
542 Unemployment Compensation	0	0	0	0	0	0
543 Workers' Compensation	0	0	0	0	0	0
550 Retirement Contributions - SERS	48,668	56,284	63,683	66,358	63,770	62,176
551 Retirement Contributions - PSERS	0	0	0	0	0	0
552-557 Retirement Contributions - ARP	9,995	9,351	9,422	9,422	9,422	9,422
558 Employees' Group Life Insurance	774	776	765	765	765	765
560 Employees' H/W Fund	0	0	0	0	0	0
561 Employees' Hospitalization Insurance	85,860	84,891	83,463	89,305	95,557	102,246
562 Annuitants' Hospitalization	63,148	77,988	76,676	82,043	87,786	93,931
563 PSERS Healthcare Premium Assistance		0	0	0	0	0
597-598 Tuition Waiver - Employee Eligible		0	0	0	0	0
599 Other Fee Waiver - Employee Eligible		0	0	0	0	0
Sub-Total, AFSCME Compensation	$604,021	$620,030	$616,994	$640,453	$659,673	$680,973

AUXILIARY FUND	Actual FY2014/15	Long Range Plan FY2015/16	Long Range Plan FY2016/17	Long Range Plan FY2017/18	Long Range Plan FY2018/19	Long Range Plan FY2019/20
Nonrepresented Compensation						
501 Salaries	$477,144	$451,871	$457,212	$468,643	$480,359	$492,368
502 Wages	0	0	0	0	0	0
513 Other	3,056	2,635	2,614	2,679	2,746	2,815
520-521 Overtime	0	0	0	0	0	0
530 Sick Leave Pay-Out	0	0	0	0	0	0
531 Annual Leave Pay-Out	0	0	0	0	0	0
540-541 Social Security	35,555	34,128	34,570	35,435	36,321	37,229
542 Unemployment Compensation	0	0	0	0	0	0
543 Workers' Compensation	0	0	0	0	0	0
550 Retirement Contributions - SERS	46,438	53,859	64,072	66,763	64,159	62,555
551 Retirement Contributions - PSERS	10,055	12,027	14,056	14,496	14,941	15,258
552-557 Retirement Contributions - ARP	13,686	13,191	13,304	13,304	13,304	13,304
558 Employees' Group Life Insurance	793	740	737	737	737	737
560 Employees' H/W Fund	4,520	4,341	4,587	4,587	4,587	4,587
561 Employees' Hospitalization Insurance	63,534	65,991	65,936	70,552	75,490	80,774
562 Annuitants' Hospitalization	26,750	26,941	28,472	30,465	32,597	34,879
563 PSERS Healthcare Premium Assistance		400	399	427	457	489
597-598 Tuition Waiver - Employee Eligible		0	0	0	0	0
599 Other Fee Waiver - Employee Eligible		0	0	0	0	0
Sub-Total, Nonrepresented Compensation	$681,531	$666,126	$685,959	$708,086	$725,698	$744,994
SCUPA Compensation						
501 Salaries	$559,417	$611,234	$602,119	$617,172	$632,601	$648,416
502 Wages	0	0	0	0	0	0
513 Other	12,398	2,684	2,662	2,729	2,797	2,867
520-521 Overtime	4,700	0	0	0	0	0
530 Sick Leave Pay-Out	0	0	0	0	0	0
531 Annual Leave Pay-Out	7,417	5,711	0	0	0	0
540-541 Social Security	43,182	46,760	29,424	30,160	30,914	31,687
542 Unemployment Compensation	2,515	0	16,639	16,639	16,639	16,639
543 Workers' Compensation	0	0	0	0	0	0
550 Retirement Contributions - SERS	29,387	40,086	29,697	30,944	29,737	28,994
551 Retirement Contributions - PSERS		0	19,871	20,493	21,122	21,570
552-557 Retirement Contributions - ARP	35,310	38,506	26,352	26,352	26,352	26,352
558 Employees' Group Life Insurance	1,483	1,606	12,291	12,291	12,291	12,291
560 Employees' H/W Fund	0	0	0	0	0	0
561 Employees' Hospitalization Insurance	123,396	132,397	81,436	87,137	93,236	99,763
562 Annuitants' Hospitalization	51,585	59,838	86,585	92,646	99,132	106,071
563 PSERS Healthcare Premium Assistance		0	22,777	24,372	26,078	27,903
597-598 Tuition Waiver - Employee Eligible		0	0	0	0	0
599 Other Fee Waiver - Employee Eligible		0	0	0	0	0
Sub-Total, SCUPA Compensation	$870,790	$938,822	$929,853	$960,933	$990,898	$1,022,551

AUXILIARY FUND	Actual FY2014/15	Long Range Plan FY2015/16	Long Range Plan FY2016/17	Long Range Plan FY2017/18	Long Range Plan FY2018/19	Long Range Plan FY2019/20
Other Compensation						
501 Salaries	$0	$0	$0	$0	$0	$0
502 Wages	0	0	0	0	0	0
510 Student Employment	1,035,668	1,079,999	1,079,999	1,106,999	1,134,674	1,163,041
513 Other	0	0	0	0	0	0
520-521 Overtime	0	0	0	0	0	0
530 Sick Leave Pay-Out	0	0	0	0	0	0
531 Annual Leave Pay-Out	0	0	0	0	0	0
540-541 Social Security	10,409	12,960	12,960	13,284	13,616	13,956
542 Unemployment Compensation	4,623	0	0	0	0	0
543 Workers' Compensation	0	0	0	0	0	0
550 Retirement Contributions - SERS	0	0	0	0	0	0
551 Retirement Contributions - PSERS	45	0	0	0	0	0
552-557 Retirement Contributions - ARP	0	0	0	0	0	0
558 Employees' Group Life Insurance	0	0	0	0	0	0
560 Employees' H/W Fund	0	0	0	0	0	0
561 Employees' Hospitalization Insurance	0	0	0	0	0	0
562 Annuitants' Hospitalization	0	0	0	0	0	0
563 PSERS Healthcare Premium Assistance		0	0	0	0	0
597-598 Tuition Waiver - Employee Eligible	143,853	148,888	153,354	157,955	162,694	167,575
599 Other Fee Waiver - Employee Eligible		0	0	0	0	0
Sub-Total, Other Compensation	$1,194,598	$1,241,847	$1,246,313	$1,278,238	$1,310,984	$1,344,572
Total Personnel Expenditures						
501 Salaries	$1,361,327	$1,388,065	$1,377,269	$1,411,701	$1,446,993	$1,483,168
502 Wages	28,216	28,216	28,216	28,921	29,644	30,386
510 Student Employment	1,035,668	1,079,999	1,079,999	1,106,999	1,134,674	1,163,041
511 Faculty Summer School Pay	0	0	0	0	0	0
512 Faculty Overload	0	0	0	0	0	0
513 Other Faculty Pay	0	0	0	0	0	0
513 Other	16,922	6,637	6,582	6,747	6,916	7,089
515 Faculty Winter Session Pay	0	0	0	0	0	0
520-521 Overtime	17,783	11,202	11,202	11,482	11,769	12,063
530 Sick Leave Pay-Out	0	0	0	0	0	0
531 Annual Leave Pay-Out	7,417	5,711	0	0	0	0
540-541 Social Security	117,189	118,892	101,277	103,809	106,404	109,064
542 Unemployment Compensation	7,138	0	16,639	16,639	16,639	16,639
543 Workers' Compensation	0	0	0	0	0	0
550 Retirement Contributions - SERS	124,493	150,229	157,452	164,065	157,667	153,725
551 Retirement Contributions - PSERS	10,100	12,027	33,927	34,989	36,063	36,828
552-557 Retirement Contributions - ARP	58,991	61,048	49,077	49,077	49,077	49,077
558 Employees' Group Life Insurance	3,050	3,122	13,793	13,793	13,793	13,793
560 Employees' H/W Fund	4,520	4,341	4,587	4,587	4,587	4,587
561 Employees' Hospitalization Insurance	272,790	283,280	230,835	246,994	264,283	282,783
562 Annuitants' Hospitalization	141,483	164,767	191,733	205,154	219,515	234,881
563 PSERS Healthcare Premium Assistance	0	400	23,176	24,799	26,535	28,392
597-598 Tuition Waiver - Employee Eligible	143,853	148,888	153,354	157,955	162,694	167,575
599 Other Fee Waiver - Employee Eligible	0	0	0	0	0	0
Total Personnel Expenditures	$3,350,940	$3,466,824	$3,479,120	$3,587,711	$3,687,253	$3,793,090

AUXILIARY FUND	Actual FY2014/15	Long Range Plan FY2015/16	Long Range Plan FY2016/17	Long Range Plan FY2017/18	Long Range Plan FY2018/19	Long Range Plan FY2019/20
REVENUE/SOURCES SUMMARY						
Tuition (401-404)	n/a	n/a	n/a	n/a	n/a	n/a
Fees (405-410)	$4,588,304	$4,676,804	$4,746,956	$4,818,161	$4,890,433	$4,963,790
State Appropriation (412)	n/a	n/a	n/a	n/a	n/a	n/a
Auxiliary Sales (461-468)	17,244,795	17,202,156	18,209,741	18,489,837	18,709,800	18,934,104
All Other Revenue (421-456, 469-479, 498)	1,129,827	1,535,593	824,216	824,216	824,216	824,216
Carry Forward (496)	0	0	0	0	0	0
TOTAL REVENUE/SOURCES	$22,962,926	$23,414,553	$23,780,914	$24,132,214	$24,424,449	$24,722,110
EXPENDITURES & TRANSFERS	23.0					
PERSONNEL EXPENDITURES SUMMARY						
Salaries & Wages (501-531)	$2,467,333	$2,519,831	$2,503,269	$2,565,850	$2,629,997	$2,695,746
Incremental Benefits (540-553)	317,911	342,196	358,372	368,579	365,850	365,333
Fixed Rate Benefits (558-562)	421,843	455,910	464,124	495,326	528,713	564,436
Educational Benefits (597-599)	143,853	148,888	153,354	157,955	162,694	167,575
TOTAL PERSONNEL EXPENDITURES	$3,350,940	$3,466,824	$3,479,120	$3,587,711	$3,687,253	$3,793,090
SERVICES & SUPPLIES EXPENDITURES						
Travel and Transportation (615-616)	$22,694	$18,652	$19,211	$19,788	$20,381	$20,993
Utilities (640-646)	917,650	975,000	1,004,250	1,034,378	1,065,409	1,097,371
Rental/Lease - Real Estate (651)	0	0	0	0	0	0
Bad Debt Expense (696)	0	0	0	0	0	0
Student Aid						
Scholarship Discounts & Allow. (Prior Yr. from above, 411)	295,554	305,833	315,008	324,458	334,192	344,218
Student Aid Expense (695,697,698)	105,459	109,127	112,401	115,773	119,246	122,823
Student Aid, Subtotal	401,013	414,960	427,409	440,231	453,438	467,041
All Other (605-635(exclude 615-616), 650, 655-690)	12,605,338	13,202,987	13,417,173	13,585,780	13,759,528	13,935,198
TOTAL SVCS & SUPPLIES EXPENDITURES	$13,946,695	$14,611,599	$14,868,043	$15,080,176	$15,298,756	$15,520,603
CAPITAL EXPENDITURES						
Land & Structures (700-730)	$0	$0	$0	$0	$0	$0
Equipment, Furniture, & Furnishings (740, 750)	4,274	0	0	0	0	0
Library (760)	0	0	0	0	0	0
Construction in Progress (770)	0	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES	$4,274	$0	$0	$0	$0	$0
TOTAL NON-PERSONNEL EXPENDITURES	$13,950,969	$14,611,599	$14,868,043	$15,080,176	$15,298,756	$15,520,603
TRANSFERS						
Mandatory Transfers - Transfers out/(in) to pay debt principal and interest (799, 801, 811)	$3,078,421	$3,079,221	$3,079,221	$2,514,163	$2,514,163	$2,514,163
Nonmandatory Transfers - Transfers out/(in) for equipment, capital projects, life cycle, or other (802, 803, 812, 813)	2,382,549	2,256,909	2,354,530	2,950,164	2,924,277	2,894,254
TOTAL TRANSFERS	$5,460,970	$5,336,129	$5,433,750	$5,464,327	$5,438,440	$5,408,417
TOTAL EXPENDITURES & TRANSFERS	$22,762,879	$23,414,553	$23,780,914	$24,132,214	$24,424,449	$24,722,110
REVENUE LESS EXPENDITURES & TRANSFERS	$200,047	$0	$0	$0	$0	$0

Long Range Plan
Slippery Rock University of Pennsylvania

RESTRICTED FUND	Actual FY2014/15	Long Range Plan FY2015/16	Long Range Plan FY2016/17	Long Range Plan FY2017/18	Long Range Plan FY2018/19	Long Range Plan FY2019/20
REVENUE/SOURCES						
411 Scholarship Discounts & Allow. (enter as negative)	($16,318,901)	$0	$0	$0	$0	$0
412 State Appropriations-General		0	0	0	0	0
421 Gov't Grants & Contracts-Federal	11,342,164	11,575,847	11,583,290	11,590,450	11,596,099	11,602,321
422 Gov't Grants & Contracts-State	7,282,575	7,282,575	7,282,575	7,282,575	7,282,575	7,282,575
423 Gov't Grants & Contracts-Local	4,206,363	4,206,363	4,206,363	4,206,363	4,206,363	4,206,363
424 Gov't Grants & Contracts-System	4,000	4,000	4,000	4,000	4,000	4,000
425 Private Grants & Contracts	33,373	33,373	33,373	33,373	33,373	33,373
430 Additions to Permanent Endowments		0	0	0	0	0
431 Gifts		0	0	0	0	0
451 Endowment Income		0	0	0	0	0
452 Income on Other Investments		0	0	0	0	0
453 Investment Expenses (enter as negative)		0	0	0	0	0
454 Unrealized Gain (Loss) on Investments		0	0	0	0	0
455 Gain (Loss) on Disposal of Assets		0	0	0	0	0
469 Sales and Services		0	0	0	0	0
475 Corporate Partnerships	9,642	9,642	9,642	9,642	9,642	9,642
479 Miscellaneous Revenue		0	0	0	0	0
496 Planned Use of Carry Forward		0	0	0	0	0
498 Prior-Year Corrections	(2,954)	0	0	0	0	0
TOTAL REVENUE/SOURCES	$22,875,163	$23,111,800	$23,119,243	$23,126,403	$23,132,053	$23,138,275

RESTRICTED FUND	Actual FY2014/15	Long Range Plan FY2015/16	Long Range Plan FY2016/17	Long Range Plan FY2017/18	Long Range Plan FY2018/19	Long Range Plan FY2019/20
PERSONNEL EXPENDITURES						
Faculty Compensation						
501 Salaries	$66,488	$67,319	$68,161	$69,865	$71,611	$73,401
502 Wages		-	-	-	-	-
511 Faculty Summer School Pay	30,398	30,778	31,163	31,942	32,740	33,559
512 Faculty Overload	2,948	2,985	3,022	3,098	3,175	3,255
513 Other Faculty Pay	615	623	630	646	662	679
515 Faculty Winter Session Pay		-	-	-	-	-
530 Sick Leave Pay-Out		-	-	-	-	-
531 Annual Leave Pay-Out		-	-	-	-	-
540-541 Social Security	7,355	7,447	7,540	7,729	7,922	8,120
542 Unemployment Compensation		-	-	-	-	-
543 Workers' Compensation		-	-	-	-	-
550 Retirement Contributions - SERS	10,394	12,972	15,359	16,004	15,379	14,995
551 Retirement Contributions - PSERS	1,067	1,288	1,504	1,551	1,599	1,633
552-557 Retirement Contributions - ARP	3,048	3,048	3,048	3,048	3,048	3,048
558 Employees' Group Life Insurance	69	69	69	69	69	69
560 Employees' H/W Fund	573	573	573	573	573	573
561 Employees' Hospitalization Insurance	2,595	2,777	2,971	3,179	3,402	3,640
562 Annuitants' Hospitalization	2,651	2,837	3,035	3,248	3,475	3,718
563 PSERS Healthcare Premium Assistance		-	-	-	-	-
597-598 Tuition Waiver - Employee Eligible		-	-	-	-	-
599 Other Fee Waiver - Employee Eligible		-	-	-	-	-
Sub-Total, Faculty Compensation	$128,201	$132,714	$137,075	$140,950	$143,656	$146,689
AFSCME Compensation						
501 Salaries	$13,992	$15,741	$15,938	$16,336	$16,745	$17,163
502 Wages						
513 Other						
520-521 Overtime						
530 Sick Leave Pay-Out						
531 Annual Leave Pay-Out						
540-541 Social Security						
542 Unemployment Compensation						
543 Workers' Compensation						
550 Retirement Contributions - SERS						
551 Retirement Contributions - PSERS						
552-557 Retirement Contributions - ARP						
558 Employees' Group Life Insurance						
560 Employees' H/W Fund	0					
561 Employees' Hospitalization Insurance	5,688	6,512	6,967	7,455	7,977	8,535
562 Annuitants' Hospitalization	5,686	6,510	6,966	7,453	7,975	8,533
563 PSERS Healthcare Premium Assistance						
597-598 Tuition Waiver - Employee Eligible						
599 Other Fee Waiver - Employee Eligible						
Sub-Total, AFSCME Compensation	$25,366	$28,763	$29,871	$31,245	$32,697	$34,232

RESTRICTED FUND	Actual FY2014/15	Long Range Plan FY2015/16	Long Range Plan FY2016/17	Long Range Plan FY2017/18	Long Range Plan FY2018/19	Long Range Plan FY2019/20
Nonrepresented Compensation						
501 Salaries	$2,500	$2,569	$2,601	$2,666	$2,733	$2,801
502 Wages						
513 Other						
520-521 Overtime						
530 Sick Leave Pay-Out						
531 Annual Leave Pay-Out						
540-541 Social Security	190	195	198	203	208	213
542 Unemployment Compensation						
543 Workers' Compensation						
550 Retirement Contributions - SERS	498	776	918	957	920	897
551 Retirement Contributions - PSERS						
552-557 Retirement Contributions - ARP						
558 Employees' Group Life Insurance						
560 Employees' H/W Fund						
561 Employees' Hospitalization Insurance						
562 Annuitants' Hospitalization						
563 PSERS Healthcare Premium Assistance						
597-598 Tuition Waiver - Employee Eligible						
599 Other Fee Waiver - Employee Eligible						
Sub-Total, Nonrepresented Compensation	$3,188	$3,540	$3,717	$3,826	$3,861	$3,911
SCUPA Compensation						
501 Salaries	$15,001	$15,189	$15,378	$15,763	$16,157	$16,561
502 Wages	23,996	24,296	24,600	25,215	25,845	26,491
513 Other						
520-521 Overtime						
530 Sick Leave Pay-Out	13					
531 Annual Leave Pay-Out						
540-541 Social Security	1,837	1,860	1,883	1,930	1,979	2,028
542 Unemployment Compensation						
543 Workers' Compensation						
550 Retirement Contributions - SERS	3,348	4,178	4,947	5,155	4,954	4,830
551 Retirement Contributions - PSERS						
552-557 Retirement Contributions - ARP						
558 Employees' Group Life Insurance	42	42	42	42	42	42
560 Employees' H/W Fund		-	-	-	-	-
561 Employees' Hospitalization Insurance	3,721	3,981	4,260	4,558	4,877	5,219
562 Annuitants' Hospitalization	3,112	3,330	3,563	3,812	4,079	4,365
563 PSERS Healthcare Premium Assistance						
597-598 Tuition Waiver - Employee Eligible						
599 Other Fee Waiver - Employee Eligible						
Sub-Total, SCUPA Compensation	$51,070	$52,876	$54,673	$56,475	$57,933	$59,536

RESTRICTED FUND	Actual FY2014/15	Long Range Plan FY2015/16	Long Range Plan FY2016/17	Long Range Plan FY2017/18	Long Range Plan FY2018/19	Long Range Plan FY2019/20
Other Compensation						
501 Salaries	$0					
502 Wages						
510 Student Employment	421,007	421,007	421,007	421,007	421,007	421,007
513 Other						
520-521 Overtime						
530 Sick Leave Pay-Out						
531 Annual Leave Pay-Out						
540-541 Social Security	237	237	237	237	237	237
542 Unemployment Compensation						
543 Workers' Compensation						
550 Retirement Contributions - SERS						
551 Retirement Contributions - PSERS						
552-557 Retirement Contributions - ARP						
558 Employees' Group Life Insurance						
560 Employees' H/W Fund						
561 Employees' Hospitalization Insurance						
562 Annuitants' Hospitalization						
563 PSERS Healthcare Premium Assistance						
597-598 Tuition Waiver - Employee Eligible						
599 Other Fee Waiver - Employee Eligible						
Sub-Total, Other Compensation	$421,244	$421,244	$421,244	$421,244	$421,244	$421,244
Total Personnel Expenditures						
501 Salaries	$97,981	$100,818	$102,078	$104,630	$107,246	$109,927
502 Wages	23,996	24,296	24,600	25,215	25,845	26,491
510 Student Employment	421,007	421,007	421,007	421,007	421,007	421,007
511 Faculty Summer School Pay	30,398	30,778	31,163	31,942	32,740	33,559
512 Faculty Overload	2,948	2,985	3,022	3,098	3,175	3,255
513 Other Faculty Pay	615	623	630	646	662	679
513 Other	0	0	0	0	0	0
515 Faculty Winter Session Pay	0	0	0	0	0	0
520-521 Overtime	0	0	0	0	0	0
530 Sick Leave Pay-Out	13	0	0	0	0	0
531 Annual Leave Pay-Out	0	0	0	0	0	0
540-541 Social Security	9,619	9,739	9,858	10,098	10,345	10,598
542 Unemployment Compensation	0	0	0	0	0	0
543 Workers' Compensation	0	0	0	0	0	0
550 Retirement Contributions - SERS	14,240	17,926	21,224	22,115	21,253	20,722
551 Retirement Contributions - PSERS	1,067	1,288	1,504	1,551	1,599	1,633
552-557 Retirement Contributions - ARP	3,048	3,048	3,048	3,048	3,048	3,048
558 Employees' Group Life Insurance	111	111	111	111	111	111
560 Employees' H/W Fund	573	573	573	573	573	573
561 Employees' Hospitalization Insurance	12,004	13,270	14,199	15,193	16,256	17,394
562 Annuitants' Hospitalization	11,449	12,676	13,564	14,513	15,529	16,616
563 PSERS Healthcare Premium Assistance	0	0	0	0	0	0
597-598 Tuition Waiver - Employee Eligible	0	0	0	0	0	0
599 Other Fee Waiver - Employee Eligible	0	0	0	0	0	0
Total Personnel Expenditures	$629,068	$639,137	$646,580	$653,740	$659,390	$665,611

RESTRICTED FUND	Actual FY2014/15	Long Range Plan FY2015/16	Long Range Plan FY2016/17	Long Range Plan FY2017/18	Long Range Plan FY2018/19	Long Range Plan FY2019/20
REVENUE/SOURCES SUMMARY						
Tuition (401-404)	n/a	n/a	n/a	n/a	M/a	n/a
Fees (405-410)	n/a	n/a	n/a	n/a	M/a	n/a
State Appropriation (412)	0	0	0	0	0	0
Auxiliary Sales (461-468)	n/a	n/a	n/a	n/a	M/a	n/a
All Other Revenue (421-456, 469-479, 498)	$22,875,163	$23,111,800	$23,119,243	$23,126,403	$23,132,053	$23,138,275
Carry Forward (496)	0	0	0	0	0	0
TOTAL REVENUE/SOURCES	$22,875,163	$23,111,800	$23,119,243	$23,126,403	$23,132,053	$23,138,275
EXPENDITURES & TRANSFERS						
PERSONNEL EXPENDITURES SUMMARY						
Salaries & Wages (501-531)	$576,958	$580,506	$582,500	$586,537	$590,675	$594,917
Incremental Benefits (540-553)	27,974	32,001	35,634	36,813	36,245	36,000
Fixed Rate Benefits (558-562)	24,137	26,630	28,446	30,390	32,469	34,694
Educational Benefits (597-599)	0	0	0	0	0	0
TOTAL PERSONNEL EXPENDITURES	$629,068	$639,137	$646,580	$653,740	$659,390	$665,611
SERVICES & SUPPLIES EXPENDITURES						
Travel and Transportation (615-616)	$27,877	$20,493	$20,493	$20,493	$20,493	$20,493
Utilities (640-646)	0	-	-	-	-	-
Rental/Lease - Real Estate (651)	0	-	-	-	-	-
Bad Debt Expense (696)	0	-	-	-	-	-
Student Aid						
Scholarship Discounts & Allow. (Prior Yr. from above, 411)	16,318,901	16,469,128	16,469,128	16,469,128	16,469,128	16,469,128
Student Aid Expense (695,697,698)	5,822,845	5,876,449	5,876,449	5,876,449	5,876,449	5,876,449
Student Aid, Subtotal	22,141,746	22,345,577	22,345,577	22,345,577	22,345,577	22,345,577
All Other (605-635(exclude 615-616), 650, 655-690)	106,593	106,593	106,593	106,593	106,593	106,593
TOTAL SVCS & SUPPLIES EXPENDITURES	$22,276,216	$22,472,663	$22,472,663	$22,472,663	$22,472,663	$22,472,663
CAPITAL EXPENDITURES						
Land & Structures (700-730)	$0	$0	$0	$0	$0	$0
Equipment, Furniture, & Furnishings (740, 750)	0	-	-	-	-	-
Library (760)	0	-	-	-	-	-
Construction in Progress (770)	0	-	-	-	-	-
TOTAL CAPITAL EXPENDITURES	$0	$0	$0	$0	$0	$0
TOTAL NON-PERSONNEL EXPENDITURES	$22,276,216	$22,472,663	$22,472,663	$22,472,663	$22,472,663	$22,472,663
TRANSFERS						
Mandatory Transfers - Transfers out/(in) to pay debt principal and interest (799, 801, 811)	$0	$0	$0	$0	$0	$0
Nonmandatory Transfers - Transfers out/(in) for equipment, capital projects, life cycle, or other (802, 803, 812, 813)	0	-	-	-	-	-
TOTAL TRANSFERS	$0	$0	$0	$0	$0	$0
TOTAL EXPENDITURES & TRANSFERS	$22,905,284	$23,111,800	$23,119,243	$23,126,403	$23,132,053	$23,138,275
REVENUE LESS EXPENDITURES & TRANSFERS	($30,121)	$0	$0	$0	$0	$0

Long Range Plan
Slippery Rock University of Pennsylvania

ALL FUNDS	Actual FY2014/15	Long Range Plan FY2015/16	Long Range Plan FY2016/17	Long Range Plan FY2017/18	Long Range Plan FY2018/19	Long Range Plan FY2019/20
REVENUE/SOURCES						
TUITION REVENUE						
Academic Year Tuition Revenue						
401 Undergraduate In-State Tuition	$42,792,044	$44,099,553	$45,634,379	$48,172,128	$50,370,049	$52,879,774
402 Undergraduate Out-of-State Tuition	8,624,793	9,156,108	9,470,131	9,996,769	10,452,886	10,973,709
403 Graduate In-State Tuition	5,871,817	6,412,543	8,287,846	9,459,925	10,054,049	10,450,502
404 Graduate Out-of-State Tuition	1,483,952	1,424,795	1,839,871	2,100,149	2,232,072	2,320,095
Total Academic Year Tuition Revenue	$58,772,606	$61,092,999	$65,232,227	$69,728,971	$73,109,055	$76,624,080
Intersession Tuition Revenue						
401 Undergraduate In-State Tuition	$4,540,683	$4,801,828	$4,999,848	$5,164,449	$5,322,919	$5,489,009
402 Undergraduate Out-of-State Tuition	730,910	755,882	702,698	726,984	750,890	775,887
403 Graduate In-State Tuition	3,192,553	3,645,360	4,191,481	4,756,924	5,456,436	6,230,526
404 Graduate Out-of-State Tuition	495,275	541,239	630,337	719,197	837,765	969,540
Total Intersession Tuition Revenue	$8,959,421	$9,744,309	$10,524,363	$11,367,554	$12,368,010	$13,464,963
Total Tuition Revenue						
401 Undergraduate In-State Tuition	$47,332,727	$48,901,381	$50,634,227	$53,336,577	$55,692,968	$58,368,783
402 Undergraduate Out-of-State Tuition	9,355,703	9,911,989	10,172,829	10,723,753	11,203,776	11,749,596
403 Graduate In-State Tuition	9,064,370	10,057,903	12,479,326	14,216,849	15,510,485	16,681,029
404 Graduate Out-of-State Tuition	1,979,227	1,966,034	2,470,207	2,819,346	3,069,837	3,289,635
TOTAL TUITION REVENUE	$67,732,027	$70,837,308	$75,756,590	$81,096,525	$85,477,065	$90,089,042
NON-TUITION REVENUE						
405 Non-Credit Continuing Education Fees	$165,125	$88,716	$89,588	$90,469	$91,358	$92,257
407 Technology Fee	4,094,308	4,250,238	4,560,137	4,870,018	5,123,085	5,391,622
408 Academic/Instruction Fees	6,988,590	7,404,888	7,988,066	8,553,660	9,031,224	9,509,662
409 Other Mandatory Student Fees	7,622,385	7,864,483	8,003,104	8,175,414	8,305,294	8,444,248
410 Nonmandatory Student Fees	748,097	743,792	765,902	773,561	785,938	800,871
411 Scholarship Discounts & Allow. (enter as negative)	(18,768,363)	(2,142,000)	(2,186,982)	(2,252,591)	(2,320,169)	(2,389,774)
412 State Appropriations						
Base Allocations	$27,964,489	$30,338,615	$30,338,615	$30,338,615	$30,338,615	$30,338,615
AFRP	424,464	424,464	424,464	424,464	424,464	424,464
Performance Funding (Sheet3 and Prog. Initiatives)	3,932,269	3,766,530	3,766,530	3,766,530	3,766,530	3,766,530
Other (McKeever, Reserve, etc.)	302,032	302,032	302,032	302,032	302,032	302,032
State Appropriations, Subtotal	$32,623,254	$34,831,641	$34,831,641	$34,831,641	$34,831,641	$34,831,641
414 Federal Appropriations	0	0	0	0	0	0
421 Gov't Grants & Contracts-Federal	11,370,696	11,604,379	11,611,822	11,618,982	11,624,631	11,630,853
422 Gov't Grants & Contracts-State	7,282,575	7,282,575	7,282,575	7,282,575	7,282,575	7,282,575
423 Gov't Grants & Contracts-Local	4,206,363	4,206,363	4,206,363	4,206,363	4,206,363	4,206,363
424 Gov't Grants & Contracts-System	56,063	56,063	56,063	56,063	56,063	56,063
430 Additions to Permanent Endowments	0	0	0	0	0	0
425 Private Grants & Contracts	459,889	347,389	347,389	347,389	347,389	347,389
431 Gifts	0	0	0	0	0	0
451 Endowment Income	0	0	0	0	0	0
452 Income on Other Investments	859,720	864,004	864,004	868,324	872,665	877,029
453 Investment Expenses (enter as a negative)	(16,068)	0	0	0	0	0
454 Unrealized Gain (Loss) on Investments	0	0	0	0	0	0
455 Gain (Loss) on Disposal of Assets	0	0	0	0	0	0
461 Food Service Sales	9,901,374	9,651,374	10,500,000	10,710,000	10,924,200	11,142,684
462 Housing Fees	3,006,081	3,066,203	3,219,513	3,283,903	3,283,903	3,283,903
463 Privatized Housing	4,329,288	4,356,343	4,356,343	4,356,343	4,356,343	4,356,343
465 Bookstore Sales	0	0	0	0	0	0
468 Other Auxiliary Sales	541,637	564,918	570,568	576,273	582,036	587,856
469 Sales and Services	2,792,801	3,336,743	2,646,628	2,668,102	2,689,791	2,711,697
470 Cogeneration Sales (IUP only)	0	0	0	0	0	0
475 Corporate Partnerships	83,499	83,499	83,499	83,499	83,499	83,499
478 Parking Fines	112,567	113,693	114,830	115,978	117,138	118,309
479 Miscellaneous Revenue	504,239	482,609	487,285	492,008	496,778	501,596
496 Planned Use of Carry Forward	0	0	0	0	0	0
498 Prior-Year Corrections	(2,988)	0	0	0	0	0
TOTAL NON-TUITION REVENUE	$97,729,495	$101,199,912	$102,585,318	$103,960,565	$105,091,914	$106,256,459
TOTAL REVENUE/SOURCES	$165,461,522	$172,037,220	$178,341,908	$185,057,090	$190,568,980	$196,345,501

ALL FUNDS	Actual FY2014/15	Long Range Plan FY2015/16	Long Range Plan FY2016/17	Long Range Plan FY2017/18	Long Range Plan FY2018/19	Long Range Plan FY2019/20
PERSONNEL EXPENDITURES						
Faculty Compensation						
501 Salaries	$32,177,936	$33,689,693	$35,681,114	$36,884,864	$38,432,840	$40,084,163
502 Wages	358	27,241	1,025	1,077	1,123	1,171
511 Faculty Summer School Pay	2,634,261	2,694,602	2,706,362	2,842,572	2,961,417	3,088,168
512 Faculty Overload	488,962	480,040	508,347	534,005	556,380	580,247
513 Other Faculty Pay	590,809	412,439	610,505	641,396	668,324	697,050
515 Faculty Winter Session Pay	948,714	955,000	978,875	1,028,431	1,071,625	1,117,705
530 Sick Leave Pay-Out	423,165	122,988	225,500	236,916	246,867	257,482
531 Annual Leave Pay-Out	12,057	2,519	0	0	0	0
540-541 Social Security	2,722,877	2,810,069	3,111,838	3,223,970	3,359,246	3,503,551
542 Unemployment Compensation	75,779	77,052	110,000	110,000	110,000	110,000
543 Workers' Compensation	0	0	0	0	0	0
550 Retirement Contributions - SERS	1,695,234	1,943,914	2,029,223	2,043,029	1,997,811	1,981,567
551 Retirement Contributions - PSERS	296,833	283,722	265,542	269,089	277,350	283,230
552-557 Retirement Contributions - ARP	2,313,864	2,498,327	2,915,270	2,963,066	2,963,066	2,963,066
558 Employees' Group Life Insurance	48,942	52,801	55,968	57,153	57,153	57,153
560 Employees' H/W Fund	462,277	519,414	434,220	442,101	442,101	442,101
561 Employees' Hospitalization Insurance	3,731,634	4,753,050	4,864,439	5,304,001	5,765,395	6,272,689
562 Annuitants' Hospitalization	1,824,719	1,926,643	2,349,212	2,549,223	2,770,950	3,014,731
563 PSERS Healthcare Premium Assistance	0	8,901	7,506	7,457	8,106	8,819
597-598 Tuition Waiver - Employee Eligible	331,210	342,802	353,086	363,679	374,589	385,827
599 Other Fee Waiver - Employee Eligible	0	0	0	0	0	0
Sub-Total, Faculty Compensation	$50,779,631	$53,601,217	$57,208,033	$59,502,028	$62,064,341	$64,848,718
AFSCME Compensation						
501 Salaries	$9,594,260	$9,736,489	$10,387,051	$10,607,549	$10,872,737	$11,144,556
502 Wages	263,257	260,376	261,206	267,736	274,430	281,290
513 Other	45,500	42,232	31,697	32,489	33,301	34,134
520-521 Overtime	586,873	804,278	512,202	536,564	549,978	563,727
530 Sick Leave Pay-Out	117,010	5,279	131,690	139,996	143,495	147,083
531 Annual Leave Pay-Out	96,348	32,526	91,170	96,920	99,343	101,826
540-541 Social Security	798,686	818,431	865,629	886,052	908,203	930,908
542 Unemployment Compensation	28,779	21,507	30,000	50,000	50,000	50,000
543 Workers' Compensation	249,874	217,202	350,000	350,000	350,000	350,000
550 Retirement Contributions - SERS	1,481,724	1,862,989	2,142,392	2,187,955	2,102,624	2,050,059
551 Retirement Contributions - PSERS	65,248	84,776	87,602	89,060	91,794	93,740
552-557 Retirement Contributions - ARP	195,892	205,234	248,444	249,367	249,367	249,367
558 Employees' Group Life Insurance	26,016	26,126	28,000	28,019	28,019	28,019
560 Employees' H/W Fund	n/a	n/a	n/a	n/a	n/a	n/a
561 Employees' Hospitalization Insurance	3,071,888	3,436,830	3,303,754	3,521,899	3,768,432	4,032,222
562 Annuitants' Hospitalization	2,277,555	2,817,467	3,041,138	3,241,944	3,468,880	3,711,702
563 PSERS Healthcare Premium Assistance	0	2,817	2,488	2,478	2,652	2,837
597-598 Tuition Waiver - Employee Eligible	497,209	514,611	530,049	545,951	562,329	579,199
599 Other Fee Waiver - Employee Eligible	0					
Sub-Total, AFSCME Compensation	$19,396,119	$20,889,170	$22,044,513	$22,833,979	$23,555,587	$24,350,672

ALL FUNDS	Actual FY2014/15	Long Range Plan FY2015/16	Long Range Plan FY2016/17	Long Range Plan FY2017/18	Long Range Plan FY2018/19	Long Range Plan FY2019/20
Nonrepresented Compensation						
501 Salaries	$8,180,253	$8,484,271	$9,176,597	$9,371,780	$9,606,074	$9,846,226
502 Wages	24,423	40,794	90,212	93,476	95,812	98,208
513 Other	72,955	70,365	84,716	88,759	90,978	93,253
520-521 Overtime	0	413	0	0	0	0
530 Sick Leave Pay-Out	149,734	212,956	194,750	204,609	209,725	214,968
531 Annual Leave Pay-Out	116,558	112,580	123,000	129,227	132,458	135,769
540-541 Social Security	595,396	635,971	699,177	717,591	735,531	753,919
542 Unemployment Compensation	14,846	0	9,500	9,500	9,500	9,500
543 Workers' Compensation	0	0	0	0	0	0
550 Retirement Contributions - SERS	436,298	620,697	641,362	655,830	630,253	614,497
551 Retirement Contributions - PSERS	73,162	99,497	116,423	118,567	122,207	124,798
552-557 Retirement Contributions - ARP	487,374	482,897	563,237	561,130	561,130	561,130
558 Employees' Group Life Insurance	14,732	15,692	16,170	1,067	1,067	1,067
560 Employees' H/W Fund	91,926	107,616	91,734	97,462	97,462	97,462
561 Employees' Hospitalization Insurance	1,024,719	1,282,972	1,220,167	1,300,852	1,391,912	1,489,346
562 Annuitants' Hospitalization	463,922	490,313	575,130	613,156	656,077	702,002
563 PSERS Healthcare Premium Assistance	0	3,303	3,306	3,322	3,555	3,804
597-598 Tuition Waiver - Employee Eligible	151,403	156,702	161,403	166,245	171,232	176,369
599 Other Fee Waiver - Employee Eligible	0					
Sub-Total, Nonrepresented Compensation	$11,897,701	$12,817,037	$13,766,883	$14,132,574	$14,514,974	$14,922,318
SCUPA Compensation						
501 Salaries	$2,234,406	$2,362,208	$2,424,654	$2,478,370	$2,540,329	$2,603,837
502 Wages	78,742	144,103	176,273	181,393	185,927	190,576
513 Other Pay	18,247	8,057	10,656	12,348	12,657	12,973
520-521 Overtime	7,655	15,231	7,500	7,688	7,880	8,077
530 Sick Leave Pay-Out	13	39,744	5,000	5,125	5,253	5,384
531 Annual Leave Pay-Out	8,131	46,426	8,713	9,153	9,382	9,617
540-541 Social Security	175,007	196,532	182,779	186,892	191,564	196,353
542 Unemployment Compensation	25,460	0	24,639	24,639	24,639	24,639
543 Workers' Compensation	0	0	0	0	0	0
550 Retirement Contributions - SERS	164,733	211,539	247,465	253,129	243,257	237,175
551 Retirement Contributions - PSERS	0	0	19,871	20,493	21,122	21,570
552-557 Retirement Contributions - ARP	131,956	136,874	125,045	124,670	124,670	124,670
558 Employees' Group Life Insurance	5,941	6,262	17,102	17,098	17,098	17,098
560 Employees' H/W Fund	0	0	#VALUE!	0	0	0
561 Employees' Hospitalization Insurance	497,497	563,407	482,759	514,932	550,977	589,546
562 Annuitants' Hospitalization	215,078	233,704	286,222	305,457	326,839	349,717
563 PSERS Healthcare Premium Assistance		0	22,777	24,372	26,078	27,903
597-598 Tuition Waiver - Employee Eligible	32,195	33,322	34,321	35,351	36,412	37,504
599 Other Fee Waiver - Employee Eligible	0	0	0	0	0	0
Sub-Total, SCUPA Compensation	$3,595,061	$3,997,409	#VALUE!	$4,201,108	$4,324,083	$4,456,639

ALL FUNDS	Actual FY2014/15	Long Range Plan FY2015/16	Long Range Plan FY2016/17	Long Range Plan FY2017/18	Long Range Plan FY2018/19	Long Range Plan FY2019/20
Other Compensation						
501 Salaries	$2,614,406	$2,652,708	$2,951,696	$3,013,927	$3,089,275	$3,166,507
502 Wages	72,534	62,220	61,725	63,268	64,850	66,471
510 Student Employment	3,193,953	3,401,006	3,401,006	3,475,506	3,503,181	3,531,548
513 Other	30,580	40,824	46,730	49,075	50,302	51,559
520-521 Overtime	153,574	233,067	178,351	187,380	192,065	196,866
530 Sick Leave Pay-Out	0	0	9,225	9,692	9,935	10,183
531 Annual Leave Pay-Out	1,319	4,209	7,176	7,538	7,726	7,919
540-541 Social Security	253,320	261,693	270,356	276,862	283,778	290,866
542 Unemployment Compensation	17,979	282	15,000	15,000	15,000	15,000
543 Workers' Compensation	0	0	0	0	0	0
550 Retirement Contributions - SERS	220,435	261,391	297,367	303,589	291,749	284,456
551 Retirement Contributions - PSERS	15,648	10,343	8,883	9,031	9,308	9,506
552-557 Retirement Contributions - ARP	161,637	162,294	188,072	187,845	187,845	187,845
558 Employees' Group Life Insurance	5,964	6,219	6,582	6,586	6,586	6,586
560 Employees' H/W Fund	38,773	41,825	45,867	48,881	48,881	48,881
561 Employees' Hospitalization Insurance	529,284	686,852	653,985	700,051	749,054	801,488
562 Annuitants' Hospitalization	248,283	261,378	307,495	327,763	350,707	375,256
563 PSERS Healthcare Premium Assistance	0	252	252	251	269	288
597-598 Tuition Waiver - Employee Eligible	1,141,462	1,181,413	1,216,855	1,253,361	1,290,962	1,329,690
599 Other Fee Waiver - Employee Eligible	0	0	0	0	0	0
Sub-Total, Other Compensation	$8,699,151	$9,267,974	$9,666,623	$9,935,607	$10,151,473	$10,380,916
Total Personnel Expenditures						
501 Salaries	$54,801,261	$56,925,368	$60,621,112	$62,356,489	$64,541,256	$66,845,290
502 Wages	439,314	534,734	590,440	606,950	622,142	637,715
510 Student Employment	3,193,953	3,401,006	3,401,006	3,475,506	3,503,181	3,531,548
511 Faculty Summer School Pay	2,634,261	2,694,602	2,706,362	2,842,572	2,961,417	3,088,168
512 Faculty Overload	488,962	480,040	508,347	534,005	556,380	580,247
513 Other Faculty Pay	590,809	412,439	610,505	641,396	668,324	697,050
513 Other	167,282	161,478	173,799	182,672	187,239	191,920
515 Faculty Winter Session Pay	948,714	955,000	978,875	1,028,431	1,071,625	1,117,705
520-521 Overtime	748,102	1,052,989	698,053	731,632	749,922	768,670
530 Sick Leave Pay-Out	689,922	380,967	566,165	596,339	615,275	635,100
531 Annual Leave Pay-Out	234,413	198,260	230,059	242,838	248,909	255,132
540-541 Social Security	4,545,286	4,722,695	5,129,779	5,291,367	5,478,321	5,675,597
542 Unemployment Compensation	162,843	98,841	189,139	209,139	209,139	209,139
543 Workers' Compensation	249,874	217,202	350,000	350,000	350,000	350,000
550 Retirement Contributions - SERS	3,998,424	4,900,528	5,357,809	5,443,533	5,265,694	5,167,753
551 Retirement Contributions - PSERS	450,891	478,338	498,321	506,240	521,782	532,844
552-557 Retirement Contributions - ARP	3,290,723	3,485,627	4,040,068	4,086,079	4,086,079	4,086,079
558 Employees' Group Life Insurance	101,595	107,100	123,824	109,924	109,924	109,924
560 Employees' H/W Fund	592,976	668,856	#VALUE!	588,443	588,443	588,443
561 Employees' Hospitalization Insurance	8,855,022	10,723,111	10,525,105	11,341,735	12,225,771	13,185,291
562 Annuitants' Hospitalization	5,029,557	5,729,505	6,559,196	7,037,543	7,573,452	8,153,408
563 PSERS Healthcare Premium Assistance	0	15,273	36,329	37,881	40,659	43,651
597-598 Tuition Waiver - Employee Eligible	2,153,479	2,228,849	2,295,715	2,364,586	2,435,524	2,508,590
599 Other Fee Waiver - Employee Eligible	0	0	0	0	0	0
Total Personnel Expenditures	$94,367,662	$100,572,807	#VALUE!	$110,605,297	$114,610,457	$118,959,263
Anticipated savings from turnover (should be a negative number)	n/a	$0	$0	$0	$0	$0
Net Total Personnel Expenditures	$94,367,662	$100,572,807	#VALUE!	$110,605,297	$114,610,457	$118,959,263

ALL FUNDS	Actual FY2014/15	Long Range Plan FY2015/16	Long Range Plan FY2016/17	Long Range Plan FY2017/18	Long Range Plan FY2018/19	Long Range Plan FY2019/20
REVENUE/SOURCES SUMMARY						
Tuition (401-404)	$67,732,027	$70,837,308	$75,756,590	$81,096,525	$85,477,065	$90,089,042
Fees (405-410)	19,618,505	20,352,117	21,406,796	22,463,122	23,336,899	24,238,659
State Appropriation (412)	32,623,254	34,831,641	34,831,641	34,831,641	34,831,641	34,831,641
Auxiliary Sales (461-468)	17,778,380	17,638,838	18,646,423	18,926,519	19,146,482	19,370,786
All Other Revenue (421-456, 469-479, 498)	27,709,356	28,377,317	27,700,458	27,739,283	27,776,893	27,815,373
Carry Forward (496)	0	0	0	0	0	0
TOTAL REVENUE/SOURCES	$165,461,522	$172,037,220	$178,341,908	$185,057,090	$190,568,980	$196,345,501
EXPENDITURES & TRANSFERS						
PERSONNEL EXPENDITURES SUMMARY						
Salaries & Wages (501-531)	$64,936,993	$67,196,881	$71,084,723	$73,238,828	$75,725,669	$78,348,545
Incremental Benefits (540-553)	12,698,041	13,903,232	15,565,116	15,886,357	15,911,015	16,021,412
Fixed Rate Benefits (558-562)	14,579,150	17,243,844	#VALUE!	19,115,526	20,538,249	22,080,717
Educational Benefits (597-599)	2,153,479	2,228,849	2,295,715	2,364,586	2,435,524	2,508,590
Turnover Savings	n/a	n/a	n/a	n/a	n/a	n/a
TOTAL PERSONNEL EXPENDITURES	$94,367,662	$100,572,807	#VALUE!	$110,605,297	$114,610,457	$118,959,263
SERVICES & SUPPLIES EXPENDITURES						
Travel and Transportation (615-616)	$1,664,819	$1,885,678	$1,923,168	$1,961,414	$2,000,430	$2,040,232
Utilities (640 - 646)	3,582,313	3,691,725	3,802,477	3,916,551	4,034,048	4,155,069
Rental/Lease - Real Estate (651)	33,440	85,800	90,090	94,595	99,324	104,290
Bad Debt Expense (696)	833,927	863,114	889,008	915,678	943,148	971,443
Student Aid						
Scholarship Discounts & Allow. (Prior Yr. from above, 411)	18,768,363	18,916,962	18,971,119	19,046,178	19,123,490	19,203,121
Student Aid Expense (695,697,698)	6,696,853	7,285,575	7,788,849	7,792,221	7,795,694	7,799,272
Student Aid, Subtotal	25,465,216	26,202,537	26,759,968	26,838,399	26,919,184	27,002,392
All Other (605-635(exclude 615-616), 650, 655-690, 696)	26,428,917	27,438,079	27,934,835	28,391,663	28,859,397	29,334,933
TOTAL SVCS & SUPPLIES EXPENDITURES	$58,008,632	$60,166,933	$61,399,545	$62,118,299	$62,855,531	$63,608,360
CAPITAL EXPENDITURES						
Land & Structures (700-730)	$0	$0	$0	$0	$0	$0
Equipment, Furniture, & Furnishings (740, 750)	386,523	389,894	397,692	405,646	413,759	422,034
Library (760)	73,741	75,216	76,720	78,255	79,820	81,416
Construction in Progress (770)	0	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES	$460,264	$465,110	$474,412	$483,900	$493,578	$503,450
TOTAL NON-PERSONNEL EXPENDITURES	$58,468,896	$60,632,043	$61,873,957	$62,602,200	$63,349,110	$64,111,810
TRANSFERS						
Mandatory Transfers - Transfers out/(in) to pay debt principal and interest (799, 801, 811)	$5,049,501	$4,988,645	$5,472,363	$4,870,668	$4,870,948	$4,870,409
Nonmandatory Transfers - Transfers out/(in) for equipment, capital projects, life cycle, or other (802, 803, 812, 813)	7,112,854	5,843,725	4,233,758	5,450,164	5,474,277	5,495,254
TOTAL TRANSFERS	$12,162,355	$10,832,370	$9,706,122	$10,320,832	$10,345,225	$10,365,663
TOTAL EXPENDITURES & TRANSFERS	$164,998,914	$172,037,220	#VALUE!	$183,528,329	$188,304,792	$193,436,736
REVENUE LESS EXPENDITURES & TRANSFERS	$462,609	$0	#VALUE!	$1,528,761	$2,264,188	$2,908,766

Finance 2013-14

Institution: Slippery Rock University of Pennsylvania (216038)
User ID: P2160381

Overview

Finance Overview
Purpose
The purpose of the IPEDS Finance component is to collect basic financial information from items associated with the institution's General Purpose Financial Statements.
There have been no changes to the 2013-14 Finance data collection from the 2012-13 collection.
Resources: To download the survey materials for this component: Survey Materials
To access your prior year data submission for this component: Reported Data

If you have questions about completing this survey, please contact the **IPEDS Help Desk at 1-877-225-2568**.

Institution: Slippery Rock University of Pennsylvania (216038)
User ID: P2160381

Finance - Public institutions

Reporting Standard		
Please indicate which reporting standards are used to prepare your financial statements:		
	◉	GASB (Governmental Accounting Standards Board), using standards of GASB 34 & 35
	○	FASB (Financial Accounting Standards Board)
Please consult your business officer for the correct response before saving this screen. Your response to this question will determine the forms you will receive for reporting finance data.		

Institution: Slippery Rock University of Pennsylvania (216038)
User ID: P2160381

Finance - Public institutions

General Information
GASB-Reporting Institutions (aligned form)

To the extent possible, the finance data requested in this report should be provided from your institution's audited General Purpose Financial Statements (GPFS). Please refer to the instructions specific to each screen of the survey for details and references.

1. Fiscal Year Calendar

This report covers financial activities for the 12-month fiscal year: (The fiscal year reported should be the most recent fiscal year ending before October 1, 2013.)

Beginning: month/year (MMYYYY)	Month:	7	Year:	2012
And ending: month/year (MMYYYY)	Month:	6	Year:	2013

2. Audit Opinion

Did your institution receive an unqualified opinion on its General Purpose Financial Statements from your auditor for the fiscal year noted above? (If your institution is audited only in combination with another entity, answer this question based on the audit of that entity.)

- (•) Unqualified
- ( ) Qualified (Explain in box below)
- ( ) Don't know (Explain in box below)

3. Reporting Model

GASB Statement No. 34 offers three alternative reporting models for special-purpose governments like colleges and universities. Which model is used by your institution?

- (•) Business Type Activities
- ( ) Governmental Activities
- ( ) Governmental Activities with Business-Type Activities

4. Intercollegiate Athletics

If your institution participates in intercollegiate athletics, are the expenses accounted for as auxiliary enterprises or treated as student services?

- ( ) Auxiliary enterprises
- (•) Student services
- ( ) Does not participate in intercollegiate athletics
- ( ) Other (specify in box below)

5. Endowment Assets

Does this institution or any of its foundations or other affiliated organizations own endowment assets ?

- (•) Yes - (report endowment assets)
- ( ) No

You may use the space below to provide context for the data you've reported above.

Institution: Slippery Rock University of Pennsylvania (216038)
User ID: P2160381

Part A - Statement of Financial Position

Fiscal Year: July 1, 2012 - June 30, 2013

If your institution is a parent institution then the amounts reported in Parts A and D should include ALL of your child institutions

Line no.		Current year amount	Prior year amount
	Current Assets		
01	Total current assets	88,884,821	90,630,980
	Noncurrent Assets		
31	Depreciable capital assets, net of depreciation	120,458,056	120,444,541
04	Other noncurrent assets **CV**=[A05-A31]	5,158,147	6,771,829
05	Total noncurrent assets	125,616,203	127,216,370
06	Total assets **CV**=(A01+A05)	214,501,024	217,847,350
	Current Liabilities		
07	Long-term debt, current portion	3,708,052	3,592,664
08	Other current liabilities **CV**=(A09-A07)	21,189,348	21,575,231
09	Total current liabilities	24,897,400	25,167,895
	Noncurrent Liabilities		
10	Long-term debt	49,724,270	53,432,359
11	Other noncurrent liabilities **CV**=(A12-A10)	82,444,946	76,945,598
12	Total noncurrent liabilities	132,169,216	130,377,957
13	Total liabilities **CV**=(A09+A12)	157,066,616	155,545,852
	Net Assets		
14	Invested in capital assets, net of related debt	74,977,933	74,504,895
15	Restricted-expendable	1,687,884	594,199
16	Restricted-nonexpendable	0	0
17	Unrestricted **CV**=[A18-(A14+A15+A16)]	-19,231,409	-12,797,596
18	Total net assets **CV**=(A06-A13)	57,434,408	62,301,498

You may use the space below to provide context for the data you've reported above.

Institution: Slippery Rock University of Pennsylvania (216038)
User ID: P2160381

Part A - Statement of Financial Position (Page 2)

Line No.	Description	Ending balance	Prior year Ending balance
	Fiscal Year: July 1, 2012 - June 30, 2013		
	Capital Assets		
21	Land and land improvements	13,202,808	13,202,808
22	Infrastructure	0	0
23	Buildings	148,588,982	141,549,775
32	Equipment, including art and library collections	28,142,735	27,986,379
27	Construction in progress	1,201,564	2,691,981
	Total for Plant, Property and Equipment **CV** = (A21+ .. A27)	191,136,089	185,430,943
28	Accumulated depreciation	69,464,768	62,282,720
33	Intangible assets, net of accumulated amortization	0	0
34	Other capital assets	0	0

You may use the space below to provide context for the data you've reported above.

Institution: Slippery Rock University of Pennsylvania (216038)
User ID: P2160381

Part E - Scholarships and Fellowships

Fiscal Year: July 1, 2012 - June 30, 2013

DO NOT REPORT FEDERAL DIRECT STUDENT LOANS (FDSL) ANYWHERE IN THIS SECTION

Line No.	Source	Current year amount	Prior year amount
01	Pell grants (federal)	10,175,533	10,200,494
02	Other federal grants (Do NOT include FDSL amounts)	189,028	207,809
03	Grants by state government	6,933,555	8,486,868
04	Grants by local government	720,072	813,154
05	Institutional grants from restricted resources	3,066,800	2,914,375
06	Institutional grants from unrestricted resources **CV=**[E07-(E01+...+E05)]	3,083,527	2,632,960
07	Total gross scholarships and fellowships	24,168,515	25,255,660
	Discounts and Allowances		
08	Discounts and allowances applied to tuition and fees	17,528,232	17,947,691
09	Discounts and allowances applied to sales and services of auxiliary enterprises	283,325	253,204
10	Total discounts and allowances **CV=**(E08+E09)	17,811,557	18,200,895
11	Net scholarships and fellowships expenses after deducting discounts and allowances **CV=** (E07-E10) **This amount will be carried forward to C10 of the expense section.**	6,356,958	7,054,765

You may use the space below to provide context for the data you've reported above.

Institution: Slippery Rock University of Pennsylvania (216038)
User ID: P2160381

Part B - Revenues and Other Additions

Fiscal Year: July 1, 2012 - June 30, 2013			
Line No.	**Source of Funds**	**Current year amount**	**Prior year amount**
	Operating Revenues		
01	Tuition and fees, after deducting discounts & allowances	58,765,394	56,164,931
	Grants and contracts - operating		
02	Federal operating grants and contracts	1,562,060	1,194,643
03	State operating grants and contracts	7,214,310	8,686,850
04	Local government/private operating grants and contracts	3,836,675	3,691,728
	04a Local government operating grants and contracts	3,743,056	3,608,068
	04b Private operating grants and contracts	93,619	83,660
05	Sales and services of auxiliary enterprises, after deducting discounts and allowances	21,252,340	21,655,600
06	Sales and services of hospitals, after deducting patient contractual allowances	0	0
26	Sales and services of educational activities	2,374,315	2,098,969
07	Independent operations	0	0
08	Other sources - operating **CV**=[B09-(B01+ ....+B07)]	586,568	1,566,585
09	Total operating revenues	95,591,662	95,059,306

Institution: Slippery Rock University of Pennsylvania (216038)
User ID: P2160381

Part B - Revenues and Other Additions

Fiscal Year: July 1, 2012 - June 30, 2013			
Line No.	**Source of funds**	**Current year amount**	**Prior year amount**
	Nonoperating Revenues		
10	Federal appropriations	0	**0**
11	State appropriations	32,012,491	**32,494,341**
12	Local appropriations, education district taxes, and similar support	0	**0**
	Grants-nonoperating		
13	Federal nonoperating grants Do NOT include Federal Direct Student Loans	10,364,561	**10,408,303**
14	State nonoperating grants	0	**0**
15	Local government nonoperating grants	0	**0**
16	Gifts, including contributions from affiliated organizations	0	**0**
17	Investment income	856,775	**1,060,718**
18	Other nonoperating revenues **CV**=[B19-(B10+...+B17)]	86,155	**94,544**
19	Total nonoperating revenues	43,319,982	**44,057,906**
27	Total operating and nonoperating revenues **CV**=[B19+B09]	138,911,644	**139,117,212**
28	**12-month Student FTE from E12**	8,642	**8,814**
29	Total operating and nonoperating revenues per student FTE **CV**=[B27/B28]	16,074	**15,784**

Part B - Revenues and Other Additions

Fiscal Year: July 1, 2012 - June 30, 2013			
Line No.	**Source of funds**	**Current year amount**	**Prior year amount**
	Other Revenues and Additions		
20	Capital appropriations	911,816	529,890
21	Capital grants and gifts	601,079	3,117,026
22	Additions to permanent endowments	0	0
23	Other revenues and additions **CV=**[B24-(B20+...+B22)]	0	0
24	Total other revenues and additions	1,512,895	3,646,916
25	Total all revenues and other additions **CV=**[B09+B19+B24]	140,424,539	142,764,128

You may use the space below to provide context for the data you've reported above.

Institution: Slippery Rock University of Pennsylvania (216038)
User ID: P2160381

Part C - Expenses and Other Deductions

Fiscal Year: July 1, 2012 - June 30, 2013
Report Total Operating AND Nonoperating Expenses in this section

Line No.	Description	1 Total amount	2 Salaries and wages	3 Employee fringe benefits	4 Operation and maintenance of plant	5 Depreciation	6 Interest	7 All other	8 PY Total Amount
	Expenses and Deductions								
01	Instruction	62,174,704	35,629,367	12,051,072	7,276,464	3,495,470	976,869	2,745,462	**58,748,606**
02	Research	231,655	90,055	10,336	27,111	13,024	3,640	87,489	**296,468**
03	Public service	1,710,714	513,500	219,603	200,209	96,177	26,878	654,347	**1,984,796**
05	Academic support	12,539,539	4,906,879	1,883,343	1,467,534	704,975	197,017	3,379,791	**12,791,288**
06	Student services	15,804,085	7,756,173	3,098,158	1,849,592	888,508	248,309	1,963,345	**15,773,902**
07	Institutional support	28,698,638	7,839,014	10,973,971	3,358,675	1,613,441	450,904	4,462,633	**27,345,125**
08	Operation and maintenance of plant (see instructions)	0	4,814,885	3,126,792	-16,052,525	0	0	8,110,848	0
10	Scholarships and fellowships expenses, excluding discounts and allowances (from E11)	6,356,958						6,356,958	**7,054,765**
11	Auxiliary enterprises	17,654,407	2,602,541	705,657	1,872,940	1,130,526	315,945	11,026,798	**16,928,593**
12	Hospital services	0	0	0	0	0	0	0	**0**
13	Independent operations	0	0	0	0	0	0	0	**0**
14	Other expenses and deductions CV=[C19-(C01+...+C13)]	0	0	0	0	0	0	0	**0**
19	**Total expenses and deductions**	145,170,700	64,152,414	32,068,932	0	7,942,121	2,219,562	38,787,671	**140,923,543**
	Prior year amount	**140,923,543**	**62,400,471**	**30,673,364**		**7,178,137**	**2,288,158**	**38,383,413**	
20	**12-month Student FTE from E12**	8,642							**8,814**
21	**Total expenses and deductions per student FTE CV=[C19/C20]**	16,798							**15,989**

You may use the space below to provide context for the data you've reported above.

Part D - Summary of Changes In Net Position

Fiscal Year: July 1, 2012 - June 30, 2013

Line No.	Description	Current year amount	Prior year amount
01	Total revenues and other additions **(from B25)**	140,424,539	**142,764,128**
02	Total expenses and deductions **(from C19)**	145,170,700	**140,923,543**
03	Change in net position during year **CV=**(D01-D02)	-4,746,161	**1,840,585**
04	Net position beginning of year	62,301,498	**60,479,596**
05	Adjustments to beginning net position and other gains or losses **CV=**[D06-(D03+D04)]	-120,929	**-18,683**
06	Net position end of year **(from A18)**	57,434,408	**62,301,498**

You may use the space below to provide context for the data you've reported above.

Part H - Details of Endowment Assets

Line No.	Value of Endowment Assets	Market Value	Prior Year Amounts
	Fiscal Year: July 1, 2012 - June 30, 2013		
	Include not only endowment assets held by the institution, but any assets held by private foundations affiliated with the institution.		
01	Value of endowment assets at the beginning of the fiscal year	17,480,033	17,786,231
02	Value of endowment assets at the end of the fiscal year	20,171,947	17,480,033

You may use the space below to provide context for the data you've reported above.

Institution: Slippery Rock University of Pennsylvania (216038)
User ID: P2160381

Part J - Revenue Data for Bureau of Census

Fiscal Year: July 1, 2012 - June 30, 2013						
Source and type		Amount				
		Total for all funds and operations (includes endowment funds, but excludes component units)	Education and general/independent operations	Auxiliary enterprises	Hospitals	Agriculture extension/experiment services
		(1)	(2)	(3)	(4)	(5)
01	Tuition and fees	76,293,626	76,293,626			
02	Sales and services	23,909,980	2,374,315	21,535,665	0	
03	Federal grants/contracts (excludes Pell Grants)	1,562,060	1,562,060			
	Revenue from the state government:					
04	State appropriations, current & capital	32,924,307	32,924,307			
05	State grants and contracts	7,218,034	7,218,034			
	Revenue from local governments:					
06	Local appropriation, current & capital	0	0			
07	Local government grants/contracts	3,743,056	3,743,056			
08	Receipts from property and non-property taxes	0				
09	Gifts and private grants, including capital grants	690,974				
10	Interest earnings	871,871				
11	Dividend earnings	0				
12	Realized capital gains	0				

You may use the space below to provide context for the data you've reported above.

Institution: Slippery Rock University of Pennsylvania (216038)
User ID: P2160381

Part K - Expenditure Data for Bureau of Census

Category	Amount				
Fiscal Year: July 1, 2012 - June 30, 2013					
	Total for all funds and operations (includes endowment funds, but excludes component units)	Education and general/ independent operations	Auxiliary enterprises	Hospitals	Agriculture extension/ experiment services
	(1)	(2)	(3)	(4)	(5)
01 Salaries and wages	64,152,409	61,549,868	2,602,541	0	0
02 Employee benefits, total	32,068,937	31,363,280	705,657	0	0
03 Payment to state retirement funds (maybe included in line 02 above)	2,409,895	2,344,163	65,732	0	0
04 Current expenditures other than salaries	32,445,809	19,482,154	12,963,655	0	0
Capital outlay:					
05 Construction	5,282,308	2,466,407	2,815,901	0	0
06 Equipment purchases	952,868	882,988	69,880	0	0
07 Land purchases	0	0	0	0	0
08 Interest on debt outstanding, all funds and activities	0				
09 Scholarships/fellowships	24,168,515	24,168,515			

You may use the space below to provide context for the data you've reported above.

Institution: Slippery Rock University of Pennsylvania (216038)
User ID: P2160381

Part L - Debt and Assets, page 1

Fiscal Year: July 1, 2012 - June 30, 2013		
Debt		
Category		Amount
01	Long-term debt outstanding at beginning of fiscal year	
02	Long-term debt issued during fiscal year	
03	Long-term debt retired during fiscal year	
04	Long-term debt outstanding at end of fiscal year	
05	Short-term debt outstanding at beginning of fiscal year	
06	Short-term debt outstanding at end of fiscal year	

You may use the space below to provide context for the data you've reported above.

Institution: Slippery Rock University of Pennsylvania (216038)
User ID: P2160381

Part L - Debt and Assets, page 2

Fiscal Year: July 1, 2012 - June 30, 2013

Assets

Category		Amount
07	Total cash and security assets held at end of fiscal year in sinking or debt service funds	
08	Total cash and security assets held at end of fiscal year in bond funds	
09	Total cash and security assets held at end of fiscal year in all other funds	79,736,458

You may use the space below to provide context for the data you've reported above.

Summary

Finance Survey Summary

IPEDS collects important information regarding your institution. All data reported in IPEDS survey components become available in the IPEDS Data Center and appear as aggregated data in various Department of Education reports. Additionally, some of the reported data appears specifically for your institution through the College Navigator website and is included in your institution's Data Feedback Report (DFR). The purpose of this summary is to provide you an opportunity to view some of the data that, when accepted through the IPEDS quality control process, will appear on the College Navigator website and/or your DFR. College Navigator is updated approximately three months after the data collection period closes and Data Feedback Reports will be available through the Data Center and sent to your institution's CEO in November 2014.

Please review your data for accuracy. If you have questions about the data displayed below after reviewing the data reported on the survey screens, please contact the IPEDS Help Desk at: 1-877-225-2568 or ipedshelp@rti.org.

Core Revenues

Revenue Source	Reported values	Percent of total core revenues	Core revenues per FTE enrollment
Tuition and fees	$58,765,394	49%	$6,800
Government appropriations	$32,012,491	27%	$3,704
Government grants and contracts	$22,883,987	19%	$2,648
Private gifts, grants, and contracts	$93,619	0%	$11
Investment income	$856,775	1%	$99
Other core revenues	$4,559,933	4%	$528
Total core revenues	$119,172,199	100%	$13,790
Total revenues	$140,424,539		$16,249

Core revenues include tuition and fees; government appropriations (federal, state, and local); government grants and contracts; private gifts, grants, and contracts; investment income; other operating and nonoperating sources; and other revenues and additions. Core revenues exclude revenues from auxiliary enterprises (e.g., bookstores, dormitories), hospitals, and independent operations.

Core Expenses

Expense function	Reported values	Percent of total core expenses	Core expenses per FTE enrollment
Instruction	$62,174,704	49%	$7,194
Research	$231,655	0%	$27
Public service	$1,710,714	1%	$198
Academic support	$12,539,539	10%	$1,451
Institutional support	$28,698,638	23%	$3,321

Core Expenses

Student services	$15,804,085	12%	$1,829
Other core expenses	$6,356,958	5%	$736
Total core expenses	$127,516,293	100%	$14,755
Total expenses	$145,170,700		$16,798

Core expenses include expenses for instruction, research, public service, academic support, institutional support, student services, operation and maintenance of plant, depreciation, scholarships and fellowships expenses, other expenses, and nonoperating expenses.

	Calculated value
FTE enrollment	8,642

The full-time equivalent (FTE) enrollment used in this report is the sum of the institution’s FTE undergraduate enrollment and FTE graduate enrollment (as calculated from or reported on the 12-month Enrollment component). FTE is estimated using 12-month instructional activity (credit and/or contact hours). All doctor’s degree students are reported as graduate students.

Edit Report

Finance

Slippery Rock University of Pennsylvania (216038)

Source	Description	Severity	Resolved	Options
Screen: Financial Position				
Screen Entry	The value of this field is expected to be greater than zero. Please correct your data or explain. (Error #5148)	Explanation	Yes	
Reason:	Reflects the use of unrestricted funding sources for increses in capital assets			
Screen: Revenues Part 3				
Perform Edits	The amount of additions to permanent endowments reported in Part B (line 22) should not be zero or blank. Please confirm that the data reported are correct. (Error #5231)	Confirmation	Yes	
Related Screens:	Revenues Part 3			
Screen: Net Position				
Perform Edits	The calculated amount of change in net position during the year in Part D (line 03) is expected to be greater than zero. Please confirm that the data reported are correct. (Error #5202)	Confirmation	Yes	
Related Screens:	Net Position			

Finance 2014-15

Institution: Slippery Rock University of Pennsylvania (216038)
User ID: P2160381

Overview

Finance Overview
Purpose
The purpose of the IPEDS Finance component is to collect basic financial information from items associated with the institution's General Purpose Financial Statements.
There are changes made to the 2014-15 Finance data collection from the 2013-14 collection. The finance form for private for-profit schools have been revised to make it more comparable with the finance public and private not-for-profit forms.
Resources: To download the survey materials for this component: Survey Materials
To access your prior year data submission for this component: Reported Data

If you have questions about completing this survey, please contact the **IPEDS Help Desk at 1-877-225-2568**.

Institution: Slippery Rock University of Pennsylvania (216038)
User ID: P2160381

Finance - Public institutions

Reporting Standard		
Please indicate which reporting standards are used to prepare your financial statements:		
	⦿	GASB (Governmental Accounting Standards Board), using standards of GASB 34 & 35
	○	FASB (Financial Accounting Standards Board)
Please consult your business officer for the correct response before saving this screen. Your response to this question will determine the forms you will receive for reporting finance data.		

Institution: Slippery Rock University of Pennsylvania (216038)
User ID: P2160381

Finance - Public institutions

General Information
GASB-Reporting Institutions (aligned form)

To the extent possible, the finance data requested in this report should be provided from your institution's audited General Purpose Financial Statements (GPFS). Please refer to the instructions specific to each screen of the survey for details and references.

1. Fiscal Year Calendar

This report covers financial activities for the 12-month fiscal year: (The fiscal year reported should be the most recent fiscal year ending before October 1, 2014.)

Beginning: month/year (MMYYYY)	Month: 7	Year: 2013
And ending: month/year (MMYYYY)	Month: 6	Year: 2014

2. Audit Opinion

Did your institution receive an unqualified opinion on its General Purpose Financial Statements from your auditor for the fiscal year noted above? (If your institution is audited only in combination with another entity, answer this question based on the audit of that entity.)

- (●) Unqualified
- ( ) Qualified (Explain in box below)
- ( ) Don't know (Explain in box below)

3. Reporting Model

GASB Statement No. 34 offers three alternative reporting models for special-purpose governments like colleges and universities. Which model is used by your institution?

- (●) Business Type Activities
- ( ) Governmental Activities
- ( ) Governmental Activities with Business-Type Activities

4. Intercollegiate Athletics

If your institution participates in intercollegiate athletics, are the expenses accounted for as auxiliary enterprises or treated as student services?

- ( ) Auxiliary enterprises
- (●) Student services
- ( ) Does not participate in intercollegiate athletics
- ( ) Other (specify in box below)

5. Endowment Assets

Does this institution or any of its foundations or other affiliated organizations own endowment assets ?

- (●) Yes - (report endowment assets)
- ( ) No

You may use the space below to provide context for the data you've reported above.

Institution: Slippery Rock University of Pennsylvania (216038)
User ID: P2160381

Part A - Statement of Financial Position

Fiscal Year: July 1, 2013 - June 30, 2014

If your institution is a parent institution then the amounts reported in Parts A and D should include ALL of your child institutions

Line no.		Current year amount	Prior year amount
	Current Assets		
01	Total current assets	83,025,172	88,884,821
	Noncurrent Assets		
31	Depreciable capital assets, net of depreciation	117,326,176	120,458,056
04	Other noncurrent assets **CV**=[A05-A31]	5,406,309	5,158,147
05	Total noncurrent assets	122,732,485	125,616,203
06	Total assets **CV**=(A01+A05)	205,757,657	214,501,024
	Current Liabilities		
07	Long-term debt, current portion	3,589,317	3,708,052
08	Other current liabilities **CV**=(A09-A07)	21,983,811	21,189,348
09	Total current liabilities	25,573,128	24,897,400
	Noncurrent Liabilities		
10	Long-term debt	40,208,927	49,724,270
11	Other noncurrent liabilities **CV**=(A12-A10)	88,190,925	82,444,946
12	Total noncurrent liabilities	128,399,852	132,169,216
13	Total liabilities **CV**=(A09+A12)	153,972,980	157,066,616
	Net Assets		
14	Invested in capital assets, net of related debt	74,779,741	74,977,933
15	Restricted-expendable	1,101,209	1,687,884
16	Restricted-nonexpendable	733,121	0
17	Unrestricted **CV**=[A18-(A14+A15+A16)]	-24,829,394	-19,231,409
18	Total net assets **CV**=(A06-A13)	51,784,677	57,434,408

You may use the space below to provide context for the data you've reported above.

Part A - Statement of Financial Position (Page 2)

Fiscal Year: July 1, 2013 - June 30, 2014			
Line No.	Description	Ending balance	Prior year Ending balance
	Capital Assets		
21	Land and land improvements	14,336,569	**13,202,808**
22	Infrastructure	0	**0**
23	Buildings	151,149,822	**148,588,982**
32	Equipment, including art and library collections	27,054,094	**28,142,735**
27	Construction in progress	1,214,988	**1,201,564**
	Total for Plant, Property and Equipment **CV** = (A21+ .. A27)	193,755,473	**191,136,089**
28	Accumulated depreciation	75,202,608	**69,464,768**
33	Intangible assets, net of accumulated amortization	0	**0**
34	Other capital assets	0	**0**

You may use the space below to provide context for the data you've reported above.

Institution: Slippery Rock University of Pennsylvania (216038)
User ID: P2160381

Part E - Scholarships and Fellowships

Fiscal Year: July 1, 2013 - June 30, 2014

DO NOT REPORT FEDERAL DIRECT STUDENT LOANS (FDSL) ANYWHERE IN THIS SECTION

Line No.	Scholarships and Fellowships	Current year amount	Prior year amount
01	Pell grants (federal)	10,074,513	10,175,533
02	Other federal grants (Do NOT include FDSL amounts)	210,066	189,028
03	Grants by state government	7,513,788	6,933,555
04	Grants by local government	451,494	720,072
05	Institutional grants from restricted resources	3,171,693	3,066,800
06	Institutional grants from unrestricted resources **CV**=[E07-(E01+...+E05)]	3,285,983	3,083,527
07	Total gross scholarships and fellowships	24,707,537	24,168,515
	Discounts and Allowances		
08	Discounts and allowances applied to tuition and fees	17,930,246	17,528,232
09	Discounts and allowances applied to sales and services of auxiliary enterprises	289,347	283,325
10	Total discounts and allowances **CV**=(E08+E09)	18,219,593	17,811,557
11	Net scholarships and fellowships expenses after deducting discounts and allowances **CV**= (E07-E10) **This amount will be carried forward to C10 of the expense section.**	6,487,944	6,356,958

You may use the space below to provide context for the data you've reported above.

Institution: Slippery Rock University of Pennsylvania (216038)
User ID: P2160381

Part B - Revenues and Other Additions

Fiscal Year: July 1, 2013 - June 30, 2014			
Line No.	**Source of Funds**	**Current year amount**	**Prior year amount**
	Operating Revenues		
01	Tuition and fees, after deducting discounts & allowances	60,248,850	58,765,394
	Grants and contracts - operating		
02	Federal operating grants and contracts	648,943	1,562,060
03	State operating grants and contracts	7,738,315	7,214,310
04	Local government/private operating grants and contracts	3,633,302	3,836,675
	04a Local government operating grants and contracts	3,545,541	3,743,056
	04b Private operating grants and contracts	87,761	93,619
05	Sales and services of auxiliary enterprises, after deducting discounts and allowances	21,599,709	21,252,340
06	Sales and services of hospitals, after deducting patient contractual allowances	0	0
26	Sales and services of educational activities	2,801,532	2,374,315
07	Independent operations	0	0
08	Other sources - operating **CV**=[B09-(B01+ ....+B07)]	397,536	586,568
09	Total operating revenues	97,068,187	95,591,662

Part B - Revenues and Other Additions

Line No.	Source of funds	Current year amount	Prior year amount
	Fiscal Year: July 1, 2013 - June 30, 2014		
	Nonoperating Revenues		
10	Federal appropriations	0	**0**
11	State appropriations	32,576,803	**32,012,491**
12	Local appropriations, education district taxes, and similar support	0	**0**
	Grants-nonoperating		
13	Federal nonoperating grants Do NOT include Federal Direct Student Loans	10,284,579	**10,364,561**
14	State nonoperating grants	0	**0**
15	Local government nonoperating grants	0	**0**
16	Gifts, including contributions from affiliated organizations	208,046	**0**
17	Investment income	780,088	**856,775**
18	Other nonoperating revenues **CV**=[B19-(B10+...+B17)]	400,036	**86,155**
19	Total nonoperating revenues	44,249,552	**43,319,982**
27	Total operating and nonoperating revenues **CV**=[B19+B09]	141,317,739	**138,911,644**
28	**12-month Student FTE from E12**	8,548	**8,642**
29	Total operating and nonoperating revenues per student FTE **CV**=[B27/B28]	16,532	**16,074**

Part B - Revenues and Other Additions

Fiscal Year: July 1, 2013 - June 30, 2014

Line No.	Source of funds	Current year amount	Prior year amount
	Other Revenues and Additions		
20	Capital appropriations	1,054,919	**911,816**
21	Capital grants and gifts	17,654	**601,079**
22	Additions to permanent endowments	0	**0**
23	Other revenues and additions **CV**=[B24-(B20+...+B22)]	0	**0**
24	Total other revenues and additions	1,072,573	**1,512,895**
25	Total all revenues and other additions **CV**=[B09+B19+B24]	142,390,312	**140,424,539**

You may use the space below to provide context for the data you've reported above.

Part C - Expenses and Other Deductions

Fiscal Year: July 1, 2013 - June 30, 2014

Report Total Operating AND Nonoperating Expenses in this section

Line No.	Description	1 Total amount	2 Salaries and wages	3 Employee fringe benefits	4 Operation and maintenance of plant	5 Depreciation	6 Interest	7 All other	8 PY Total Amount
	Expenses and Deductions								
01	Instruction	62,952,928	36,842,214	13,131,657	7,418,298	3,162,740	792,340	1,605,679	62,174,704
02	Research	159,523	70,772	5,092	18,798	8,014	2,008	54,839	231,655
03	Public service	1,684,044	528,439	255,116	198,446	84,606	21,196	596,241	1,710,714
05	Academic support	12,837,580	4,566,751	1,897,513	1,512,765	644,957	161,577	4,054,017	12,539,539
06	Student services	16,175,988	7,677,949	3,250,470	1,906,159	812,678	203,595	2,325,137	15,804,085
07	Institutional support	29,091,378	7,400,278	11,922,079	3,428,093	1,461,544	366,151	4,513,233	28,698,638
08	Operation and maintenance of plant (see instructions)	0	5,314,816	3,516,856	-16,540,991	0	0	7,709,319	0
10	Scholarships and fellowships expenses, excluding discounts and allowances (from E11)	6,487,944						6,487,944	6,356,958
11	Auxiliary enterprises	18,323,449	2,525,973	1,013,250	2,058,431	1,049,403	262,900	11,413,492	17,654,407
12	Hospital services	0	0	0	0	0	0	0	0
13	Independent operations	0	0	0	0	0	0	0	0
14	Other expenses and deductions **CV**=[C19-(C01+...+C13)]	0	0	0	1	0	0	-1	0
19	**Total expenses and deductions**	147,712,834	64,927,192	34,992,033	0	7,223,942	1,809,767	38,759,900	145,170,700
	Prior year amount	145,170,700	64,152,414	32,068,932		7,942,121	2,219,562	38,787,671	
20	**12-month Student FTE from E12**	8,548							8,642
21	**Total expenses and deductions per student FTE CV=[C19/C20]**	17,280							16,798

You may use the space below to provide context for the data you've reported above.

Part D - Summary of Changes In Net Position

Fiscal Year: July 1, 2013 - June 30, 2014			
Line No.	Description	Current year amount	Prior year amount
01	Total revenues and other additions **(from B25)**	142,390,312	**140,424,539**
02	Total expenses and deductions **(from C19)**	147,712,834	**145,170,700**
03	Change in net position during year **CV=**(D01-D02)	-5,322,522	**-4,746,161**
04	Net position beginning of year	57,434,408	**62,301,498**
05	Adjustments to beginning net position and other gains or losses **CV=**[D06-(D03+D04)]	-327,209	**-120,929**
06	Net position end of year **(from A18)**	51,784,677	**57,434,408**

You may use the space below to provide context for the data you've reported above.

Institution: Slippery Rock University of Pennsylvania (216038)
User ID: P2160381

Part H - Details of Endowment Assets

Line No.	Value of Endowment Assets	Market Value	Prior Year Amounts
	Fiscal Year: July 1, 2013 - June 30, 2014		
	Include not only endowment assets held by the institution, but any assets held by private foundations affiliated with the institution.		
01	Value of endowment assets at the beginning of the fiscal year	20,171,947	**17,480,033**
02	Value of endowment assets at the end of the fiscal year	25,113,301	**20,171,947**

You may use the space below to provide context for the data you've reported above.

Part J - Revenue Data for Bureau of Census

	Source and type	Total for all funds and operations (includes endowment funds, but excludes component units)	Education and general/independent operations	Auxiliary enterprises	Hospitals	Agriculture extension/experiment services
	Fiscal Year: July 1, 2013 - June 30, 2014	Amount				
		(1)	(2)	(3)	(4)	(5)
01	Tuition and fees	78,179,096	78,179,096			
02	Sales and services	24,690,588	2,801,532	21,889,056	0	
03	Federal grants/contracts (excludes Pell Grants)	648,943	648,943	0		
	Revenue from the state government:					
04	State appropriations, current & capital	33,631,722	33,631,722	0		
05	State grants and contracts	7,741,848	7,741,848	0		
	Revenue from local governments:					
06	Local appropriation, current & capital	0	0	0		
07	Local government grants/contracts	3,545,541	3,545,541	0		
08	Receipts from property and non-property taxes	0				
09	Gifts and private grants, including capital grants	309,928				
10	Interest earnings	795,621				
11	Dividend earnings	0				
12	Realized capital gains	0				

You may use the space below to provide context for the data you've reported above.

Institution: Slippery Rock University of Pennsylvania (216038)
User ID: P2160381

Part K - Expenditure Data for Bureau of Census

Fiscal Year: July 1, 2013 - June 30, 2014						
Category		Amount				
		Total for all funds and operations (includes endowment funds, but excludes component units)	Education and general/ independent operations	Auxiliary enterprises	Hospitals	Agriculture extension/ experiment services
		(1)	(2)	(3)	(4)	(5)
01	Salaries and wages	64,927,192	62,401,219	2,525,973	0	
02	Employee benefits, total	34,992,033	33,978,783	1,013,250	0	
03	Payment to state retirement funds (maybe included in line 02 above)	3,417,323	3,321,791	95,532		
04	Current expenditures other than salaries	32,287,489	19,048,053	13,239,436		
	Capital outlay:					
05	Construction	3,707,538	3,531,128	176,410		
06	Equipment purchases	328,783	308,396	20,387		
07	Land purchases	0	0	0		
08	Interest on debt outstanding, all funds and activities	0				
09	Scholarships/fellowships	24,707,537	24,707,537			

You may use the space below to provide context for the data you've reported above.

Part L - Debt and Assets, page 1

Fiscal Year: July 1, 2013 - June 30, 2014		
Debt		
Category		Amount
01	Long-term debt outstanding at beginning of fiscal year	0
02	Long-term debt issued during fiscal year	0
03	Long-term debt retired during fiscal year	0
04	Long-term debt outstanding at end of fiscal year	0
05	Short-term debt outstanding at beginning of fiscal year	0
06	Short-term debt outstanding at end of fiscal year	0

You may use the space below to provide context for the data you've reported above.

Part L - Debt and Assets, page 2

Fiscal Year: July 1, 2013 - June 30, 2014		
Assets		
Category		Amount
07	Total cash and security assets held at end of fiscal year in sinking or debt service funds	
08	Total cash and security assets held at end of fiscal year in bond funds	
09	Total cash and security assets held at end of fiscal year in all other funds	75,264,928

You may use the space below to provide context for the data you've reported above.

Institution: Slippery Rock University of Pennsylvania (216038)
User ID: P2160381

Prepared by

This survey component was prepared by:

○ Keyholder	○ SFA Contact	○ HR Contact	
◉ Finance Contact	○ Academic Library Contact	○ Other	
Name:	Molly Mercer		
Email:	molly.mercer@sru.edu		

How long did it take to prepare this survey component?	1	hours		minutes

The name of the preparer is being collected so that we can follow up with the appropriate person in the event that there are questions concerning the data. The Keyholder will be copied on all email correspondence to other preparers.

The time it took to prepare this component is being collected so that we can continue to improve our estimate of the reporting burden associated with IPEDS. Please include in your estimate the time it took for you to review instructions, query and search data sources, complete and review the component, and submit the data through the Data Collection System.

Thank you for your assistance.

Summary

Finance Survey Summary

IPEDS collects important information regarding your institution. All data reported in IPEDS survey components become available in the IPEDS Data Center and appear as aggregated data in various Department of Education reports. Additionally, some of the reported data appears specifically for your institution through the College Navigator website and is included in your institution's Data Feedback Report (DFR). The purpose of this summary is to provide you an opportunity to view some of the data that, when accepted through the IPEDS quality control process, will appear on the College Navigator website and/or your DFR. College Navigator is updated approximately three months after the data collection period closes and Data Feedback Reports will be available through the Data Center and sent to your institution's CEO in November 2015.

Please review your data for accuracy. If you have questions about the data displayed below after reviewing the data reported on the survey screens, please contact the IPEDS Help Desk at: 1-877-225-2568 or ipedshelp@rti.org.

Core Revenues

Revenue Source	Reported values	Percent of total core revenues	Core revenues per FTE enrollment
Tuition and fees	$60,248,850	50%	$7,048
State appropriations	$32,576,803	27%	$3,811
Local appropriations	$0	0%	$0
Government grants and contracts	$22,217,378	18%	$2,599
Private gifts, grants, and contracts	$295,807	0%	$35
Investment income	$780,088	1%	$91
Other core revenues	$4,671,677	4%	$547
Total core revenues	$120,790,603	100%	$14,131
Total revenues	$142,390,312		$16,658

Other core revenues include federal appropriations; sales and services of educational activities; other operating and nonoperating sources; and other revenues and additions (e.g., capital appropriations, capital grants and gifts, etc.). Core revenues exclude revenues from auxiliary enterprises (e.g., bookstores, dormitories), hospitals, and independent operations.

Core Expenses

Expense function	Reported values	Percent of total core expenses	Core expenses per FTE enrollment
Instruction	$62,952,928	49%	$7,365
Research	$159,523	0%	$19
Public service	$1,684,044	1%	$197
Academic support	$12,837,580	10%	$1,502
Institutional support	$29,091,378	22%	$3,403
Student services	$16,175,988	13%	$1,892
Other core expenses	$6,487,944	5%	$759
Total core expenses	$129,389,385	100%	$15,137
Total expenses	$147,712,834		$17,280

Other core expenses include scholarships and fellowships, net of discounts and allowances, and other expenses. Core expenses exclude expenses from auxiliary enterprises (e.g., bookstores, dormitories), hospitals, and independent operations.

	Calculated value
FTE enrollment	8,548

The full-time equivalent (FTE) enrollment used in this report is the sum of the institution’s FTE undergraduate enrollment and FTE graduate enrollment (as calculated from or reported on the 12-month Enrollment component). FTE is estimated using 12-month instructional activity (credit and/or contact hours). All doctor’s degree students are reported as graduate students.

Edit Report

Finance

Slippery Rock University of Pennsylvania (216038)

Source	Description	Severity	Resolved	Options
Screen: Financial Position				
Screen Entry	The value of this field is expected to be greater than zero. Please correct your data or explain. (Error #5148)	Explanation	Yes	
Reason:	Reflects the use of unrestricted funding sources for increases in capital assets and funding required to develop new academic programs.			
Screen: Revenues Part 3				
Screen Entry	The amount of additions to permanent endowments reported in Part B (line 22) should not be zero or blank. Please confirm that the data reported are correct. (Error #5231)	Confirmation	Yes	
Related Screens:	Revenues Part 3			
Screen: Net Position				
Screen Entry	The calculated amount of change in net position during the year in Part D (line 03) is expected to be greater than zero. Please confirm that the data reported are correct. (Error #5202)	Confirmation	Yes	
Related Screens:	Net Position			

Finance 2015-16

Institution: Slippery Rock University of Pennsylvania (216038)
User ID: P2160381

Overview

Finance Overview
Purpose
The purpose of the IPEDS Finance component is to collect basic financial information from items associated with the institution's General Purpose Financial Statements.
There are a few new changes to the 2015-16 Finance data collection. A new FAQ clarifying how to report VA education benefits has been added for all institutions. For GASB institutions, a new pension screen (Part M) has been added to accommodate the implementation of GASB Statement 68. Please review the new screen and survey materials carefully. Additionally, instructions for parts J,K,L have been slightly modified and FAQs have been added for clarity.
Resources: To download the survey materials for this component: Survey Materials
To access your prior year data submission for this component: Reported Data

If you have questions about completing this survey, please contact the **IPEDS Help Desk at 1-877-225-2568**.

Institution: Slippery Rock University of Pennsylvania (216038)
User ID: P2160381

Finance - Public institutions

Reporting Standard		
Please indicate which reporting standards are used to prepare your financial statements:		
	◉	GASB (Governmental Accounting Standards Board), using standards of GASB 34 & 35
	○	FASB (Financial Accounting Standards Board)
Please consult your business officer for the correct response before saving this screen. Your response to this question will determine the forms you will receive for reporting finance data.		

Institution: Slippery Rock University of Pennsylvania (216038)
User ID: P2160381

Finance - Public institutions

General Information
GASB-Reporting Institutions (aligned form)

To the extent possible, the finance data requested in this report should be provided from your institution's audited General Purpose Financial Statements (GPFS). Please refer to the instructions specific to each screen of the survey for details and references.

1. Fiscal Year Calendar

This report covers financial activities for the 12-month fiscal year: (The fiscal year reported should be the most recent fiscal year ending before October 1, 2015.)

Beginning: month/year (MMYYYY)	Month: 7	Year: 2014
And ending: month/year (MMYYYY)	Month: 6	Year: 2015

2. Audit Opinion

Did your institution receive an unqualified opinion on its General Purpose Financial Statements from your auditor for the fiscal year noted above? (If your institution is audited only in combination with another entity, answer this question based on the audit of that entity.)

- (•) Unqualified
- ( ) Qualified (Explain in box below)
- ( ) Don't know (Explain in box below)

3. Reporting Model

GASB Statement No. 34 offers three alternative reporting models for special-purpose governments like colleges and universities. Which model is used by your institution?

- (•) Business Type Activities
- ( ) Governmental Activities
- ( ) Governmental Activities with Business-Type Activities

4. Intercollegiate Athletics

If your institution participates in intercollegiate athletics, are the expenses accounted for as auxiliary enterprises or treated as student services?

- ( ) Auxiliary enterprises
- (•) Student services
- ( ) Does not participate in intercollegiate athletics
- ( ) Other (specify in box below)

5. Endowment Assets

Does this institution or any of its foundations or other affiliated organizations own endowment assets ?

- ( ) No
- (•) Yes - (report endowment assets)

6. Pension

Did your institution recognize additional (or decreased) pension expense, additional liability (or assets), or additional deferral related to the implementation of GASB Statement 68 for one or more defined benefit pension plans (either as a single employer, agent employer or cost-sharing multiple employer) in Fiscal Year 2015?

- ( ) No
- (•) Yes - (report additional (unfunded) pension information)

You may use the space below to provide context for the data you've reported above.

Institution: Slippery Rock University of Pennsylvania (216038)
User ID: P2160381

Part A - Statement of Financial Position

Fiscal Year: July 1, 2014 - June 30, 2015

If your institution is a parent institution then the amounts reported in Parts A and D should include ALL of your child institutions

Line no.		Current year amount	Prior year amount
	Current Assets		
01	Total current assets	91,648,211	**83,025,172**
	Noncurrent Assets		
31	Depreciable capital assets, net of depreciation	113,048,470	**117,326,176**
04	Other noncurrent assets **CV**=[A05-A31]	6,714,588	**5,406,309**
05	Total noncurrent assets	119,763,058	**122,732,485**
06	Total assets **CV**=(A01+A05)	211,411,269	**205,757,657**
	Current Liabilities		
07	Long-term debt, current portion	3,649,562	**3,589,317**
08	Other current liabilities **CV**=(A09-A07)	19,746,129	**21,983,811**
09	Total current liabilities	23,395,691	**25,573,128**
	Noncurrent Liabilities		
10	Long-term debt	36,653,233	**40,208,927**
11	Other noncurrent liabilities **CV**=(A12-A10)	153,480,285	**88,190,925**
12	Total noncurrent liabilities	190,133,518	**128,399,852**
13	Total liabilities **CV**=(A09+A12)	213,529,209	**153,972,980**
	Net Assets		
14	Invested in capital assets, net of related debt	75,269,073	**74,779,741**
15	Restricted-expendable	1,671,501	**1,101,209**
16	Restricted-nonexpendable	733,121	**733,121**
17	Unrestricted **CV**=[A18-(A14+A15+A16)]	-79,791,635	**-24,829,394**
18	Total net assets **CV**=(A06-A13)	-2,117,940	**51,784,677**

You may use the space below to provide context for the data you've reported above.

Part A - Statement of Financial Position (Page 2)

Fiscal Year: July 1, 2014 - June 30, 2015			
Line No.	Description	Ending balance	Prior year Ending balance
	Capital Assets		
21	Land and land improvements	14,336,569	**14,336,569**
22	Infrastructure	0	**0**
23	Buildings	153,469,867	**151,149,822**
32	Equipment, including art and library collections	27,342,901	**27,054,094**
27	Construction in progress	2,539,068	**1,214,988**
	Total for Plant, Property and Equipment **CV** = (A21+ .. A27)	197,688,405	**193,755,473**
28	Accumulated depreciation	82,089,166	**75,202,608**
33	Intangible assets, net of accumulated amortization	0	**0**
34	Other capital assets	0	**0**

You may use the space below to provide context for the data you've reported above.

Institution: Slippery Rock University of Pennsylvania (216038)
User ID: P2160381

Part E - Scholarships and Fellowships

Line No.	Scholarships and Fellowships	Current year amount	Prior year amount
	Fiscal Year: July 1, 2014 - June 30, 2015 DO NOT REPORT FEDERAL DIRECT STUDENT LOANS (FDSL) ANYWHERE IN THIS SECTION		
01	Pell grants (federal)	10,479,444	**10,074,513**
02	Other federal grants (Do NOT include FDSL amounts)	183,746	**210,066**
03	Grants by state government	7,070,182	**7,513,788**
04	Grants by local government	419,602	**451,494**
05	Institutional grants from restricted resources	3,740,522	**3,171,693**
06	Institutional grants from unrestricted resources **CV=**[E07-(E01+...+E05)]	3,323,469	**3,285,983**
07	Total gross scholarships and fellowships	25,216,965	**24,707,537**
	Discounts and Allowances		
08	Discounts and allowances applied to tuition and fees	18,289,844	**17,930,246**
09	Discounts and allowances applied to sales and services of auxiliary enterprises	295,554	**289,347**
10	Total discounts and allowances **CV=**(E08+E09)	18,585,398	**18,219,593**
11	Net scholarships and fellowships expenses after deducting discounts and allowances **CV=** (E07-E10) **This amount will be carried forward to C10 of the expense section.**	6,631,567	**6,487,944**

You may use the space below to provide context for the data you've reported above.

Institution: Slippery Rock University of Pennsylvania (216038)
User ID: P2160381

Part B - Revenues by Source

Fiscal Year: July 1, 2014 - June 30, 2015

Line No.	Source of Funds	Current year amount	Prior year amount
	Operating Revenues		
01	Tuition and fees, after deducting discounts & allowances	63,638,458	**60,248,850**
	Grants and contracts - operating		
02	Federal operating grants and contracts	707,506	**648,943**
03	State operating grants and contracts	7,338,638	**7,738,315**
04	Local government/private operating grants and contracts	3,995,502	**3,633,302**
04a	Local government operating grants and contracts	3,958,113	**3,545,541**
04b	Private operating grants and contracts	37,389	**87,761**
05	Sales and services of auxiliary enterprises, after deducting discounts and allowances	22,779,701	**21,599,709**
06	Sales and services of hospitals, after deducting patient contractual allowances	0	**0**
26	Sales and services of educational activities	2,719,498	**2,801,532**
07	Independent operations	0	**0**
08	Other sources - operating **CV**=[B09-(B01+ ....+B07)]	506,111	**397,536**
09	Total operating revenues	101,685,414	**97,068,187**

Part B - Revenues by Source

Line No.	Source of funds	Current year amount	Prior year amount
	Fiscal Year: July 1, 2014 - June 30, 2015		
	Nonoperating Revenues		
10	Federal appropriations	0	**0**
11	State appropriations	32,623,254	**32,576,803**
12	Local appropriations, education district taxes, and similar support	0	**0**
	Grants-nonoperating		
13	Federal nonoperating grants Do NOT include Federal Direct Student Loans	10,663,190	**10,284,579**
14	State nonoperating grants	0	**0**
15	Local government nonoperating grants	0	**0**
16	Gifts, including contributions from affiliated organizations	0	**208,046**
17	Investment income	844,630	**780,088**
18	Other nonoperating revenues **CV**=[B19-(B10+...+B17)]	112,567	**400,036**
19	Total nonoperating revenues	44,243,641	**44,249,552**
27	Total operating and nonoperating revenues **CV**=[B19+B09]	145,929,055	**141,317,739**
28	**12-month Student FTE from E12**	8,687	**8,548**
29	Total operating and nonoperating revenues per student FTE **CV**=[B27/B28]	16,799	**16,532**

Institution: Slippery Rock University of Pennsylvania (216038)
User ID: P2160381

Part B - Revenues by Source

Fiscal Year: July 1, 2014 - June 30, 2015			
Line No.	**Source of funds**	**Current year amount**	**Prior year amount**
	Other Revenues and Additions		
20	Capital appropriations	1,041,138	**1,054,919**
21	Capital grants and gifts	16,430	**17,654**
22	Additions to permanent endowments	0	**0**
23	Other revenues and additions **CV**=[B24-(B20+...+B22)]	0	**0**
24	Total other revenues and additions	1,057,568	**1,072,573**
25	Total all revenues and other additions **CV**=[B09+B19+B24]	146,986,623	**142,390,312**

You may use the space below to provide context for the data you've reported above.

Institution: Slippery Rock University of Pennsylvania (216038)
User ID: P2160381

Part C - Expenses by Functional and Natural Classification

		Fiscal Year: July 1, 2014 - June 30, 2015 Report Total Operating AND Nonoperating Expenses in this section							
		Expense Natural Classifications							
		1	2	3	4	5	6	7	8
Line No.	Expense Functional Classifications	Total amount	Salaries and wages	Employee fringe benefits	Operation and maintenance of plant	Depreciation	Interest	All other	PY Total Amount
01	Instruction	66,386,806	35,794,151	16,352,195	8,153,054	3,358,983	777,917	1,950,506	62,952,928
02	Research	177,142	70,852	13,433	21,755	8,963	2,076	60,063	159,523
03	Public service	1,830,411	579,541	409,144	224,795	92,614	21,449	502,868	1,684,044
05	Academic support	14,563,431	5,497,785	2,624,215	1,788,555	736,868	170,653	3,745,355	12,837,580
06	Student services	17,597,634	7,786,299	4,267,795	2,161,189	890,390	206,208	2,285,753	16,175,988
07	Institutional support	22,838,631	7,585,746	6,391,888	2,804,843	1,155,570	267,622	4,632,962	29,091,378
08	Operation and maintenance of plant (see instructions)	0	5,101,438	4,093,291	-17,865,827			8,671,098	0
10	Scholarships and fellowships expenses, excluding discounts and allowances (from E11)	6,631,567						6,631,567	6,487,944
11	Auxiliary enterprises	18,753,720	2,467,852	1,052,491	2,711,635	1,087,817	251,931	11,181,994	18,323,449
12	Hospital services							0	0
13	Independent operations							0	0
14	Other expenses and deductions **CV**=[C19-(C01+...+C13)]	1	0	0	1	0	0	0	0
19	**Total expenses and deductions**	148,779,343	64,883,664	35,204,452	0	7,331,205	1,697,856	39,662,166	147,712,834
	Prior year amount	147,712,834	64,927,192	34,992,033		7,223,942	1,809,767	38,759,900	
20	**12-month Student FTE from E12**	8,687							8,548
21	**Total expenses and deductions per student FTE CV=[C19/C20]**	17,127							17,280

You may use the space below to provide context for the data you've reported above.

Part M - Additional (Unfunded) Pension Information

Fiscal Year: July 1, 2014 - June 30, 2015

Line No.	Description	Current year amount
01	Additional (or decreased) pension expense	2,007,927
02	Additional pension liability (or asset)	57,549,125
03	Deferred inflows of resources	1,077,666
04	Deferred outflows of resources	4,638,451

You may use the space below to provide context for the data you've reported above.

Institution: Slippery Rock University of Pennsylvania (216038)
User ID: P2160381

Part D - Summary of Changes In Net Position

Fiscal Year: July 1, 2014 - June 30, 2015			
Line No.	Description	Current year amount	Prior year amount
01	Total revenues and other additions **(from B25)**	146,986,623	**142,390,312**
02	Total expenses and deductions **(from C19)**	148,779,343	**147,712,834**
03	Change in net position during year **CV=**(D01-D02)	-1,792,720	**-5,322,522**
04	Net position beginning of year	51,784,677	**57,434,408**
05	Adjustments to beginning net position and other gains or losses **CV=**[D06-(D03+D04)]	-52,109,897	**-327,209**
06	Net position end of year **(from A18)**	-2,117,940	**51,784,677**

You may use the space below to provide context for the data you've reported above.

Part H - Details of Endowment Assets

Line No.	Value of Endowment Assets	Market Value	Prior Year Amounts
	Fiscal Year: July 1, 2014 - June 30, 2015		
	Include not only endowment assets held by the institution, but any assets held by private foundations affiliated with the institution.		
01	Value of endowment assets at the beginning of the fiscal year	25,113,301	**20,171,947**
02	Value of endowment assets at the end of the fiscal year	26,435,202	**25,113,301**

You may use the space below to provide context for the data you've reported above.

Part J - Revenue Data for Bureau of Census

Fiscal Year: July 1, 2014 - June 30, 2015						
	Source and type	Amount				
		Total for all funds and operations (includes endowment funds, but excludes component units)	Education and general/independent operations	Auxiliary enterprises	Hospitals	Agriculture extension/experiment services
		(1)	(2)	(3)	(4)	(5)
01	Tuition and fees	81,928,302	81,928,302			
02	Sales and services	25,794,753	2,719,498	23,075,255	0	
03	Federal grants/contracts (excludes Pell Grants)	707,506	707,506			
	Revenue from the state government:					
04	State appropriations, current & capital	33,664,392	33,664,392			
05	State grants and contracts	7,341,997	7,341,997			
	Revenue from local governments:					
06	Local appropriation, current & capital	0	0			
07	Local government grants/contracts	3,958,113	3,958,113			
08	Receipts from property and non-property taxes					
09	Gifts and private grants, including capital grants	50,460				
10	Interest earnings	860,698				
11	Dividend earnings					
12	Realized capital gains					

You may use the space below to provide context for the data you've reported above.

Institution: Slippery Rock University of Pennsylvania (216038)
User ID: P2160381

Part K - Expenditure Data for Bureau of Census

Fiscal Year: July 1, 2014 - June 30, 2015						
Category		Amount				
		Total for all funds and operations (includes endowment funds, but excludes component units)	Education and general/ independent operations	Auxiliary enterprises	Hospitals	Agriculture extension/ experiment services
		(1)	(2)	(3)	(4)	(5)
01	Salaries and wages	64,883,660	62,415,808	2,467,852		
02	Employee benefits, total	35,204,456	34,151,965	1,052,491		
03	Payment to state retirement funds (maybe included in line 02 above)	4,447,295	4,312,747	134,548		
04	Current expenditures other than salaries	33,046,662	19,118,546	13,928,116		
	Capital outlay:					
05	Construction	3,861,295	3,861,295			
06	Equipment purchases	467,191	382,249	84,942		
07	Land purchases	0				
08	Interest on debt outstanding, all funds and activities					
09	Scholarships/fellowships	25,216,965	25,216,965			

You may use the space below to provide context for the data you've reported above.

Institution: Slippery Rock University of Pennsylvania (216038)
User ID: P2160381

Part L - Debt and Assets, page 1

Fiscal Year: July 1, 2014 - June 30, 2015		
Debt		
Category		Amount
01	Long-term debt outstanding at beginning of fiscal year	0
02	Long-term debt issued during fiscal year	0
03	Long-term debt retired during fiscal year	0
04	Long-term debt outstanding at end of fiscal year	0
05	Short-term debt outstanding at beginning of fiscal year	0
06	Short-term debt outstanding at end of fiscal year	0

You may use the space below to provide context for the data you've reported above.

Institution: Slippery Rock University of Pennsylvania (216038)
User ID: P2160381

Part L - Debt and Assets, page 2

Fiscal Year: July 1, 2014 - June 30, 2015		
Assets		
Category		Amount
07	Total cash and security assets held at end of fiscal year in sinking or debt service funds	0
08	Total cash and security assets held at end of fiscal year in bond funds	0
09	Total cash and security assets held at end of fiscal year in all other funds	78,557,421

You may use the space below to provide context for the data you've reported above.

Summary

Finance Survey Summary

IPEDS collects important information regarding your institution. All data reported in IPEDS survey components become available in the IPEDS Data Center and appear as aggregated data in various Department of Education reports. Additionally, some of the reported data appears specifically for your institution through the College Navigator website and is included in your institution's Data Feedback Report (DFR). The purpose of this summary is to provide you an opportunity to view some of the data that, when accepted through the IPEDS quality control process, will appear on the College Navigator website and/or your DFR. College Navigator is updated approximately three months after the data collection period closes and Data Feedback Reports will be available through the Data Center and sent to your institution's CEO in November 2016.

Please review your data for accuracy. If you have questions about the data displayed below after reviewing the data reported on the survey screens, please contact the IPEDS Help Desk at: 1-877-225-2568 or ipedshelp@rti.org.

Core Revenues

Revenue Source	Reported values	Percent of total core revenues	Core revenues per FTE enrollment
Tuition and fees	$63,638,458	51%	$7,326
State appropriations	$32,623,254	26%	$3,755
Local appropriations	$0	0%	$0
Government grants and contracts	$22,667,447	18%	$2,609
Private gifts, grants, and contracts	$37,389	0%	$4
Investment income	$844,630	1%	$97
Other core revenues	$4,395,744	4%	$506
Total core revenues	$124,206,922	100%	$14,298
Total revenues	$146,986,623		$16,920

Other core revenues include federal appropriations; sales and services of educational activities; other operating and nonoperating sources; and other revenues and additions (e.g., capital appropriations, capital grants and gifts, etc.). Core revenues exclude revenues from auxiliary enterprises (e.g., bookstores, dormitories), hospitals, and independent operations. For institutions reporting in Full parent/child relationships, core revenues per FTE enrollment amounts will not be allocated to child institutions.

Core Expenses

Expense function	Reported values	Percent of total core expenses	Core expenses per FTE enrollment
Instruction	$66,386,806	51%	$7,642
Research	$177,142	0%	$20
Public service	$1,830,411	1%	$211
Academic support	$14,563,431	11%	$1,676
Institutional support	$22,838,631	18%	$2,629
Student services	$17,597,634	14%	$2,026
Other core expenses	$6,631,568	5%	$763
Total core expenses	$130,025,623	100%	$14,968
Total expenses	$148,779,343		$17,127

Other core expenses include scholarships and fellowships, net of discounts and allowances, and other expenses. Core expenses exclude expenses from auxiliary enterprises (e.g., bookstores, dormitories), hospitals, and independent operations. For institutions reporting in Full parent/child relationships, core expenses per FTE enrollment amounts will not be allocated to child institutions.

	Calculated value

FTE enrollment	8,687

The full-time equivalent (FTE) enrollment used in this report is the sum of the institution’s FTE undergraduate enrollment and FTE graduate enrollment (as calculated from or reported on the 12-month Enrollment component). FTE is estimated using 12-month instructional activity (credit and/or contact hours). All doctor’s degree students are reported as graduate students.

Edit Report

Finance

Slippery Rock University of Pennsylvania (216038)

Source	Description	Severity	Resolved	Options
Screen: Financial Position				
Screen Entry	The value of this field is expected to be greater than zero. Please correct your data or explain. (Error #5148)	Explanation	Yes	
Reason:	Reflects the result of GASB 68 pension reporting requirements as well as the use of unrestricted funding sources for increases in capital assets and funding required to develop new academic programs.			
Screen Entry	The amount of total net assets is not expected to be negative. Please correct your data or explain why total liabilities (line 13) exceed total assets (line 06). (Error #5156)	Explanation	Yes	
Reason:	Reflects the result of GASB 68 pension reporting requirements.			
Screen: Revenues Part 3				
Perform Edits	The amount of additions to permanent endowments reported in Part B (line 22) should not be zero or blank. Please confirm that the data reported are correct. (Error #5231)	Confirmation	Yes	
Related Screens:	Revenues Part 3			
Screen: Net Position				
Perform Edits	The calculated amount of adjustments to beginning net position and other gains or losses in Part D (line 05) is outside the expected range. Please correct your data or explain. (Error #5199)	Explanation	Yes	
Reason:	Reflects the result of GASB 68 pension reporting requirements.			
Related Screens:	Net Position			
Perform Edits	The calculated amount of change in net position during the year in Part D (line 03) is expected to be greater than zero. Please confirm that the data reported are correct. (Error #5202)	Confirmation	Yes	
Related Screens:	Net Position			

Bloomsburg University CAL U Clarion University Edinboro University East Stroudsburg University IUP Kutztown University Lock Haven University Mansfield University Millersville University Shippensburg University Slippery Rock University WCU West Chester University

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Financial Risk Assessment: Slippery Rock University of Pennsylvania

Review Completed January 2016

Assessment Tool

High Risk
Performance requires immediate attention

Moderate Risk
Performance is adequate; requires continued monitoring and possible attention

Acceptable Risk
Performance is adequate or better; requires little or no monitoring

Components of Financial Assessment

Modeled after a typical analysis used in an external review of the financial strength of higher education institutions.

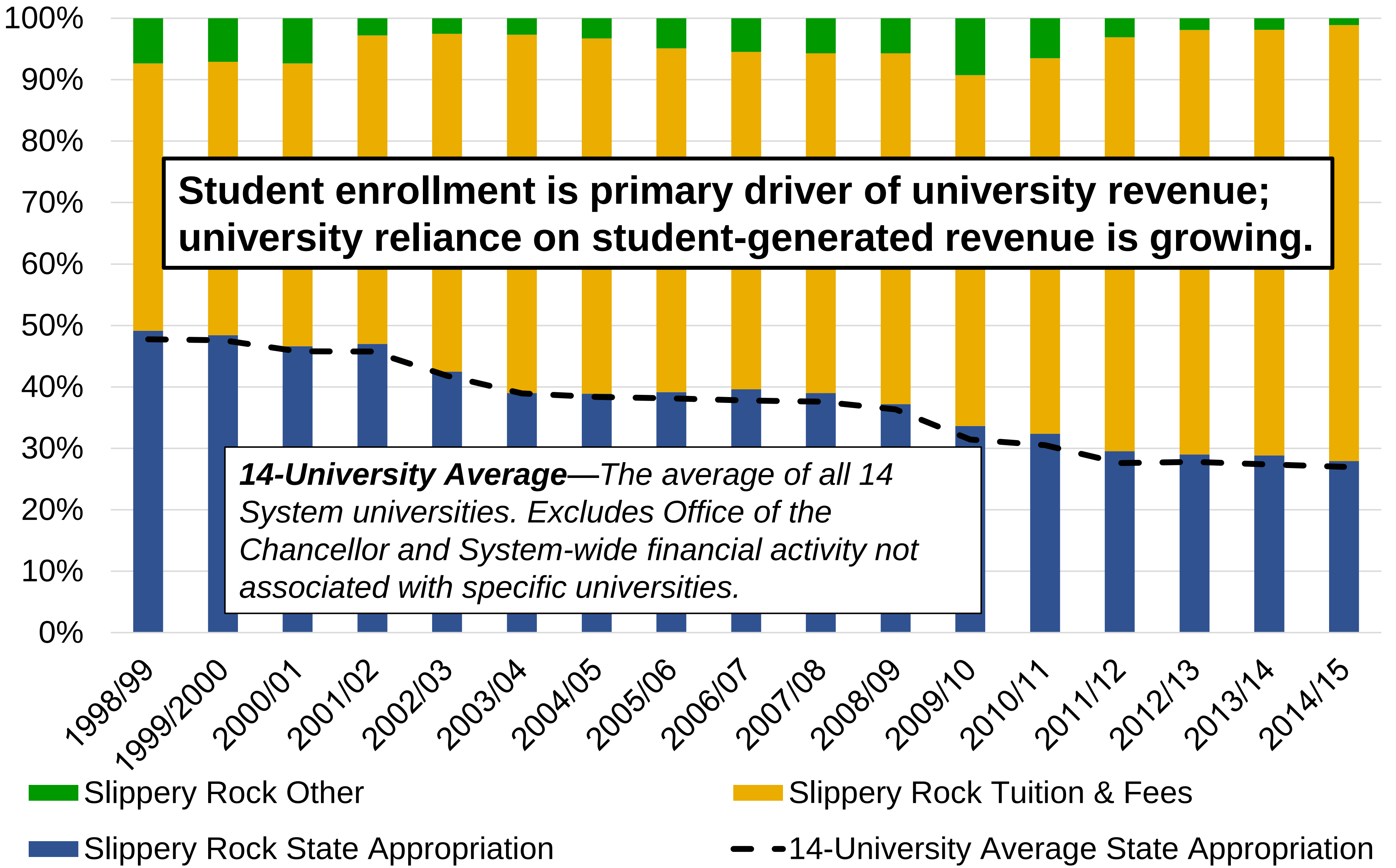
- **Market Demand**
- **Operating Efficiency**
- **Financial Performance**
- **Management Risk**

Market Demand

- **Enrollment and Population Trends**
- **Projected Enrollment**
- **Brand Strength**

Why is market demand an integral part of a financial assessment?

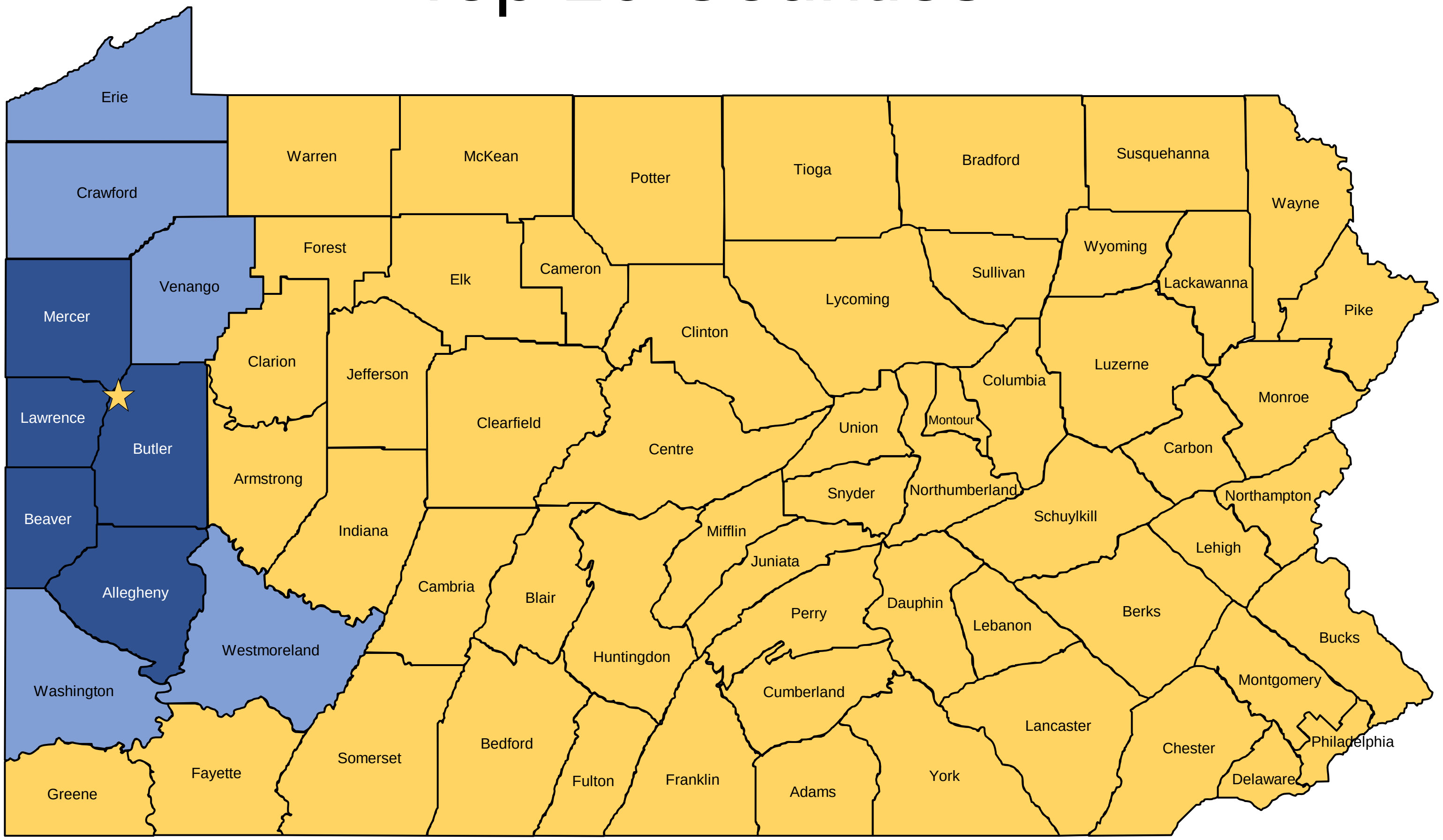
E&G Revenues as Percent of E&G Budget



Enrollment and Population Trends

- **Top 10 counties contributing to university enrollment**
- **1998–2015**

Fall 1998 Headcount Enrollment
Top 10 Counties

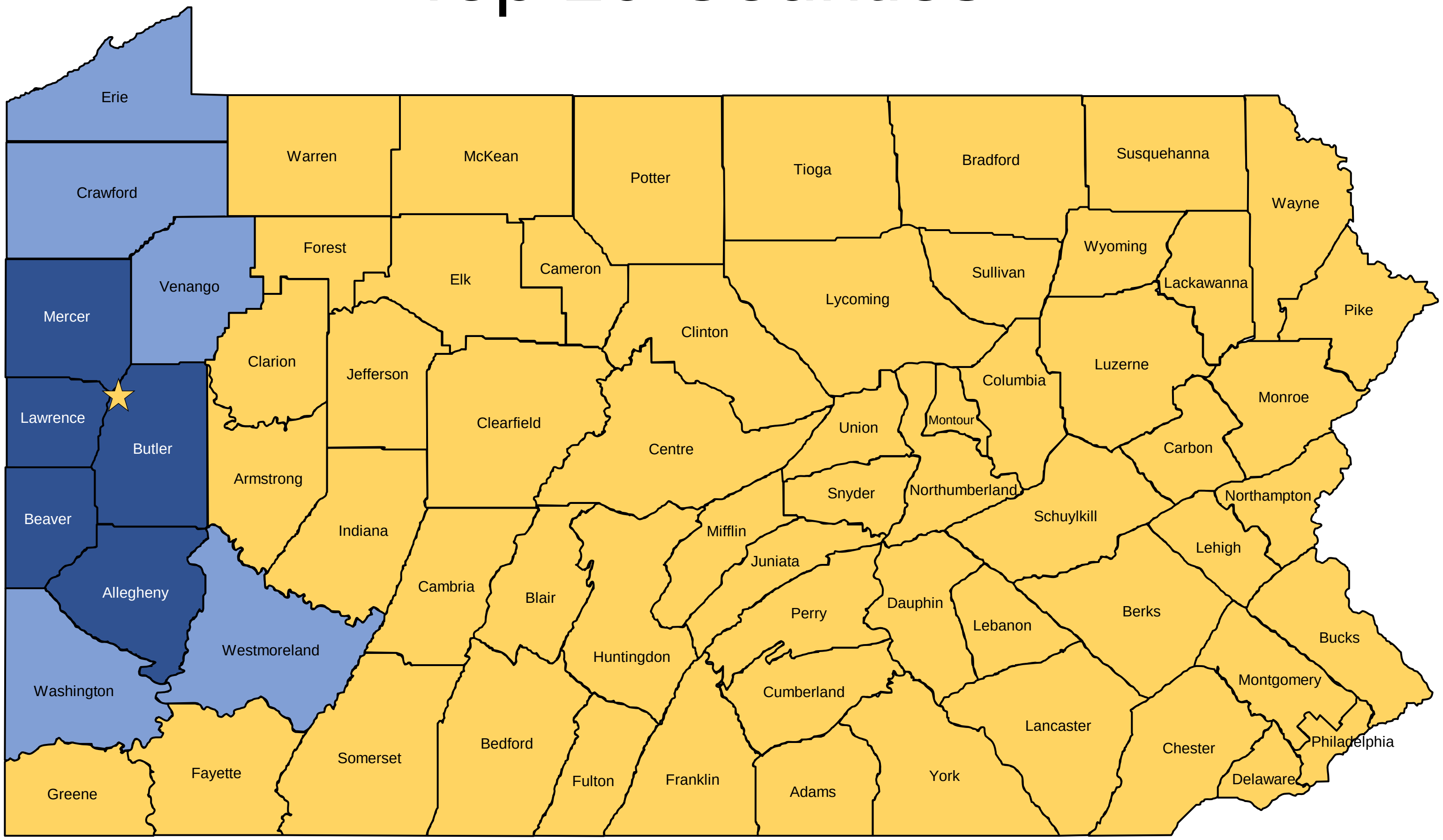


Top 5 counties: 58% of students

Counties 6–10: 13% of students

Top 10 counties: 71% of students

Fall 1999 Headcount Enrollment
Top 10 Counties

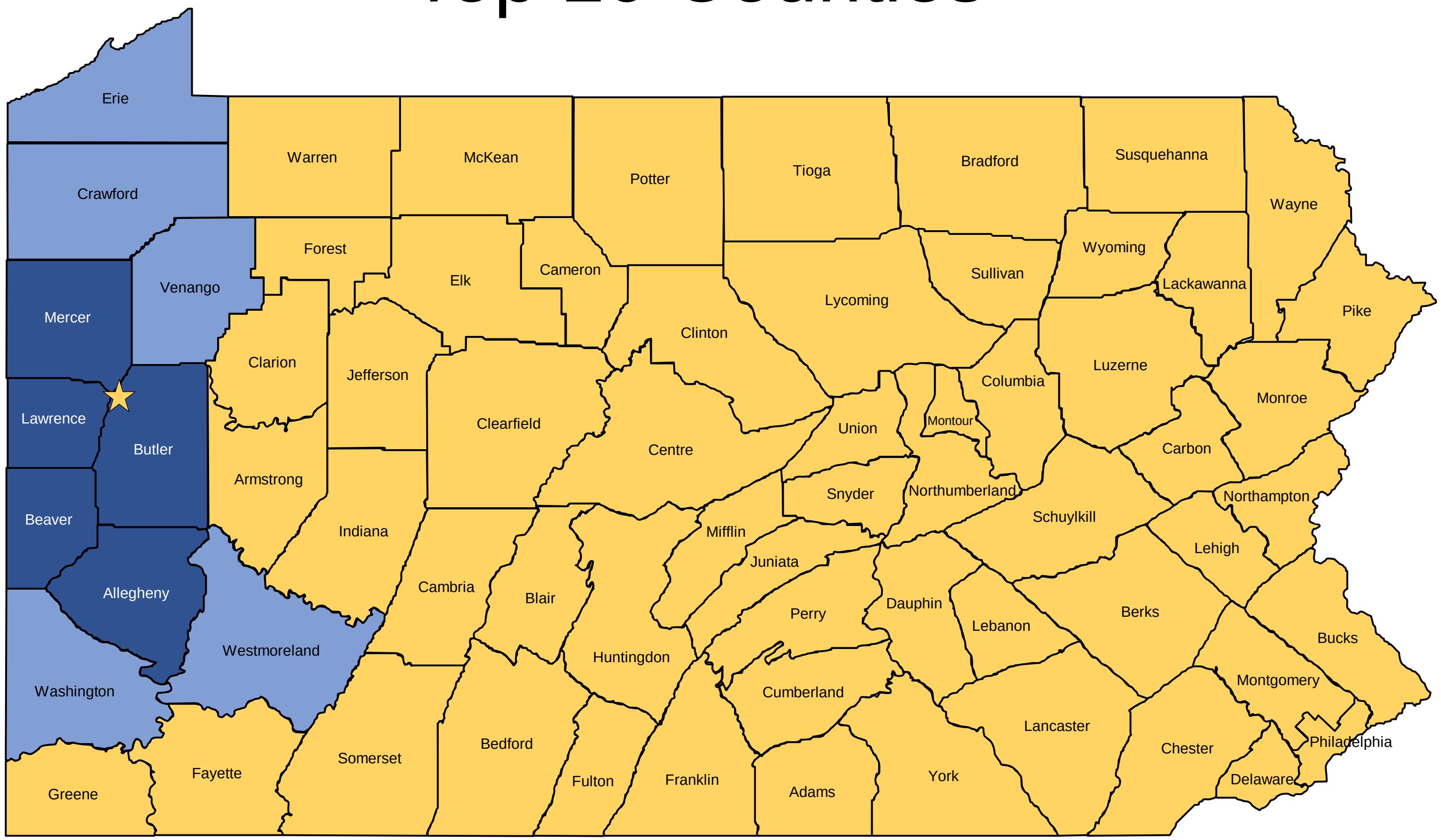


Top 5 counties: 59% of students

Counties 6–10: 12% of students

Top 10 counties: 71% of students

Fall 2000 Headcount Enrollment
Top 10 Counties

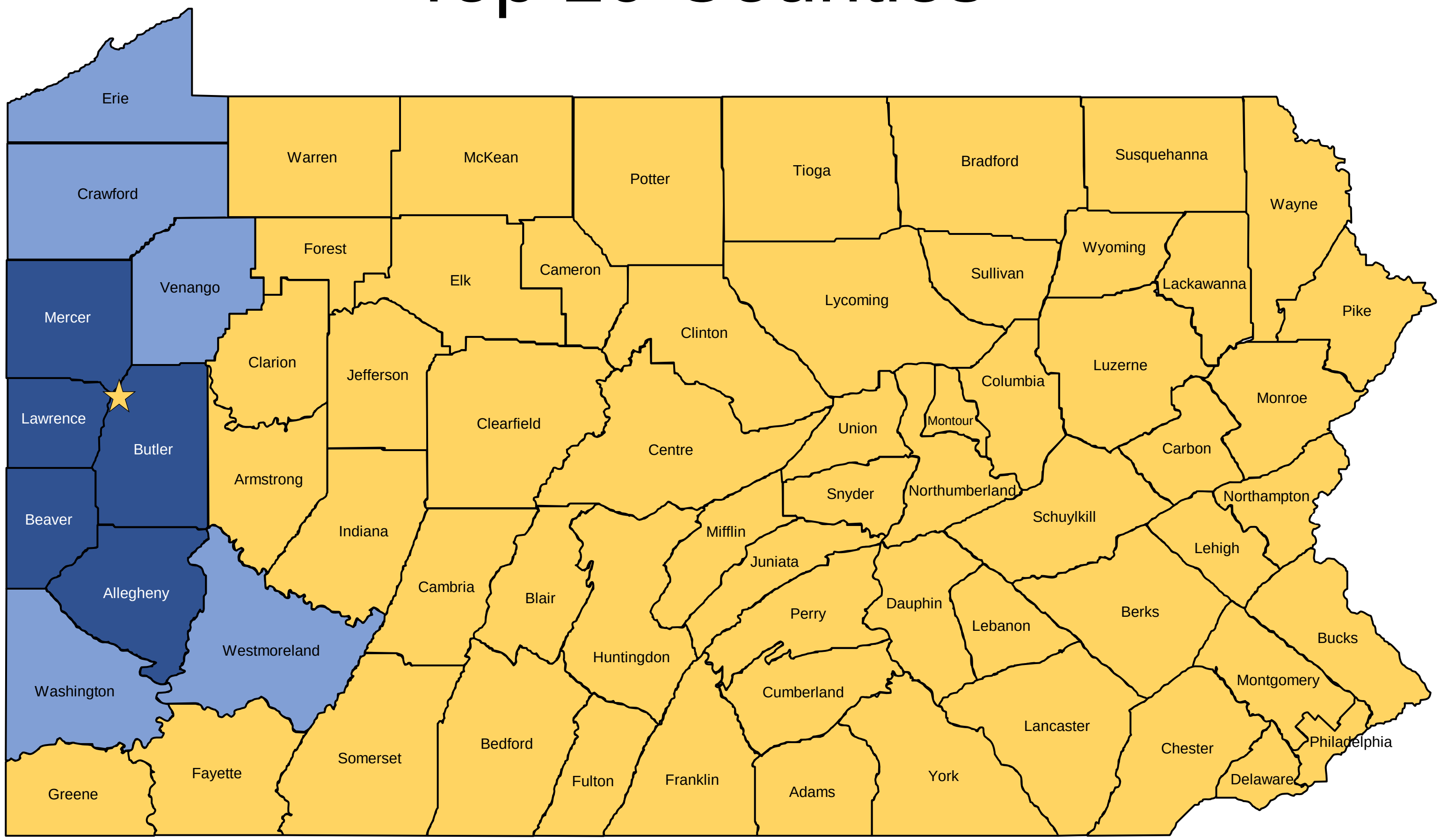


Top 5 counties: 59% of students

Counties 6–10: 14% of students

Top 10 counties: 73% of students

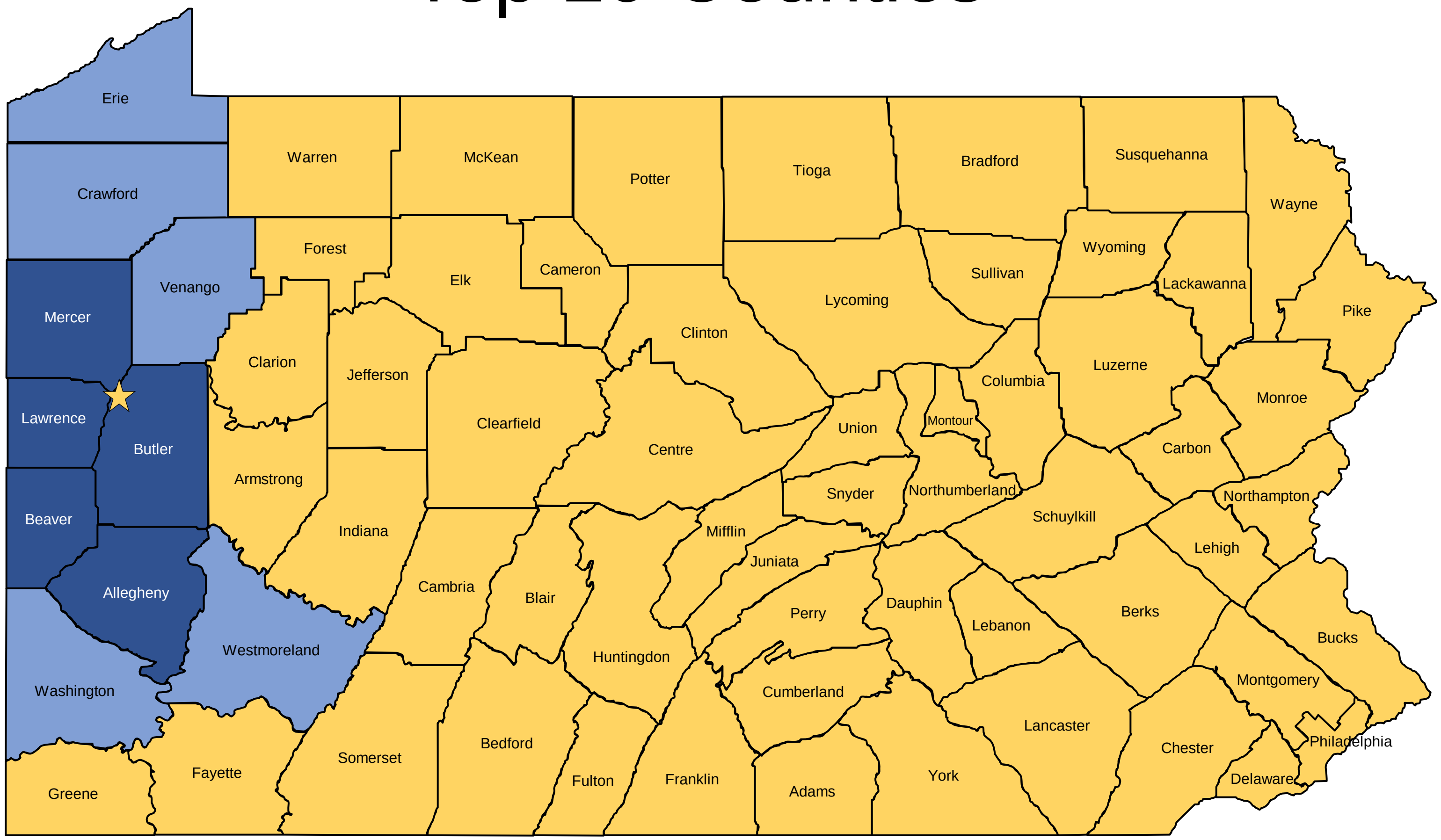
Fall 2001 Headcount Enrollment
Top 10 Counties



- Top 5 counties: 60% of students
- Counties 6–10: 13% of students

Top 10 counties: 73% of students

Fall 2002 Headcount Enrollment
Top 10 Counties

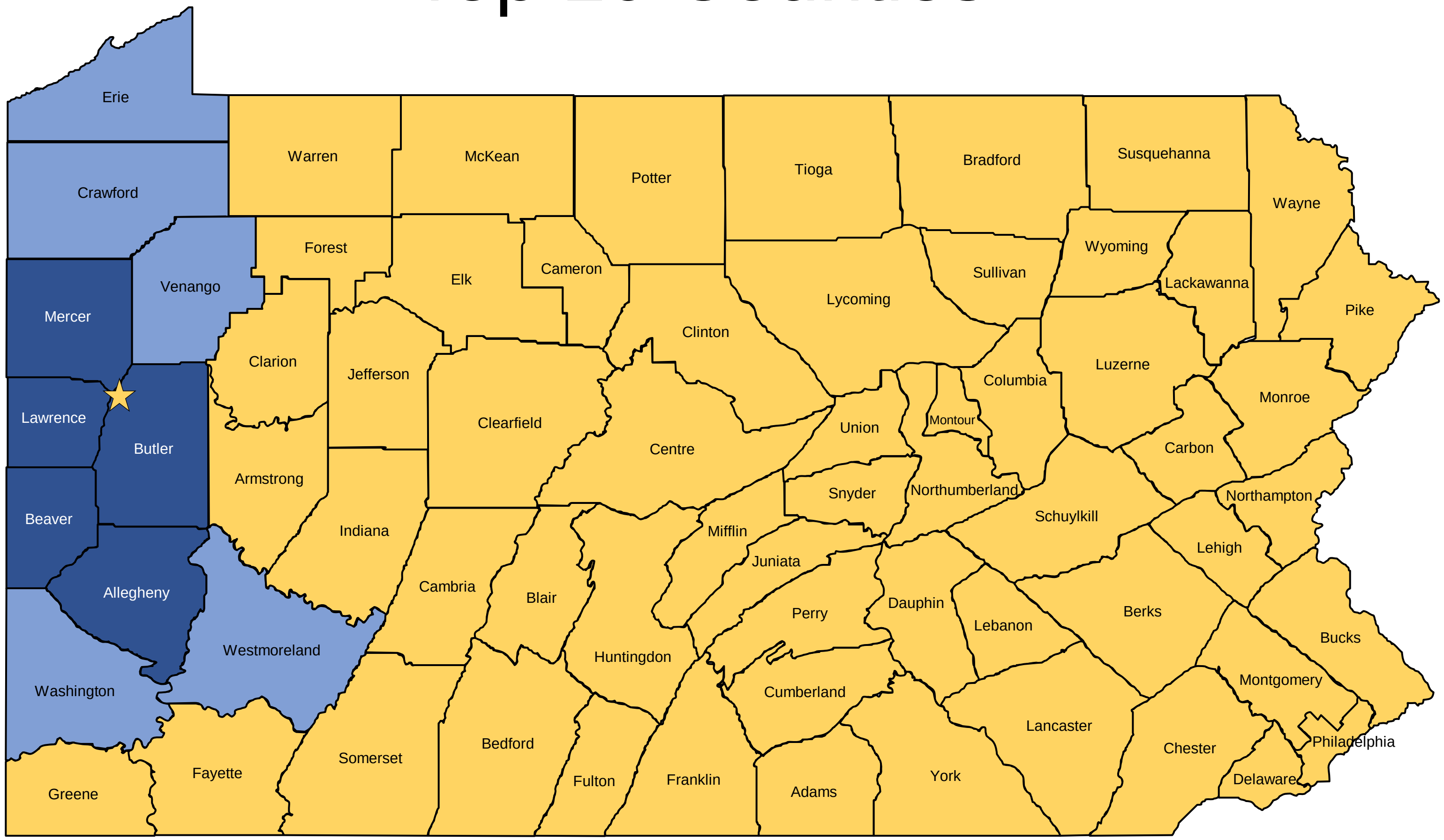


Top 5 counties: 61% of students

Counties 6–10: 13% of students

Top 10 counties: 74% of students

Fall 2003 Headcount Enrollment
Top 10 Counties

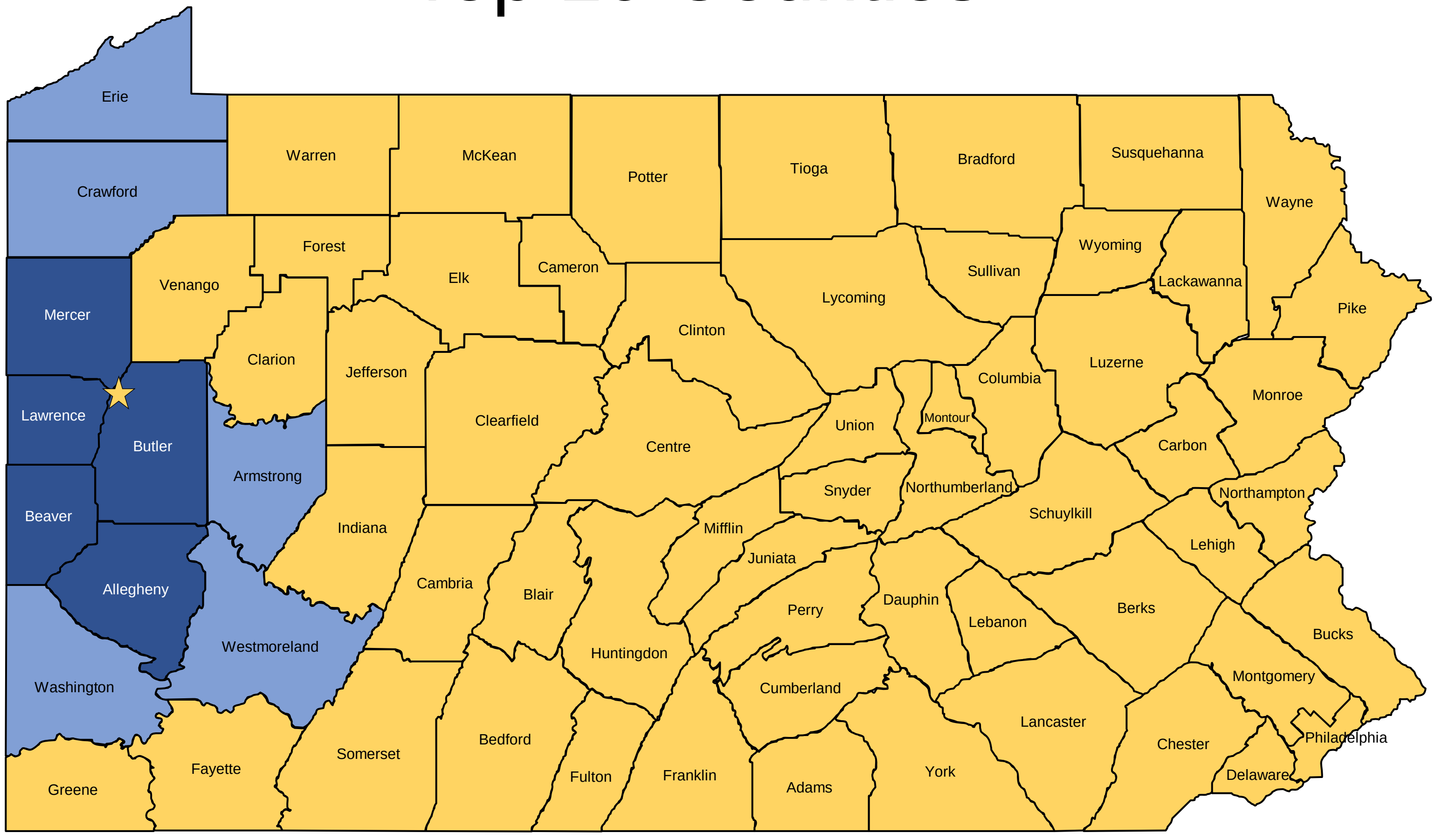


Top 5 counties: 62% of students

Counties 6–10: 12% of students

Top 10 counties: 74% of students

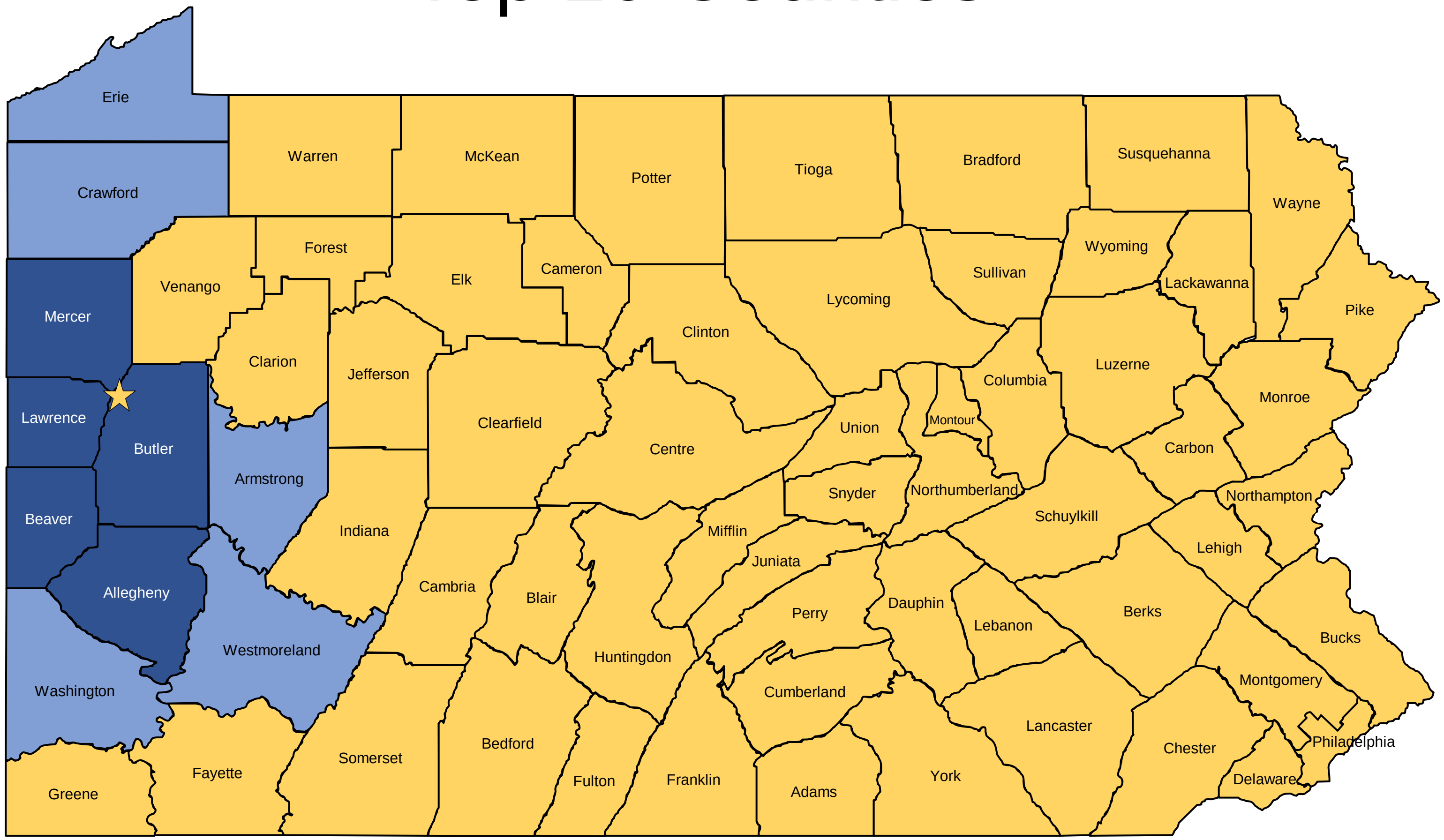
Fall 2004 Headcount Enrollment
Top 10 Counties



- Top 5 counties: 59% of students
- Counties 6–10: 14% of students

Top 10 counties: 73% of students

Fall 2005 Headcount Enrollment
Top 10 Counties

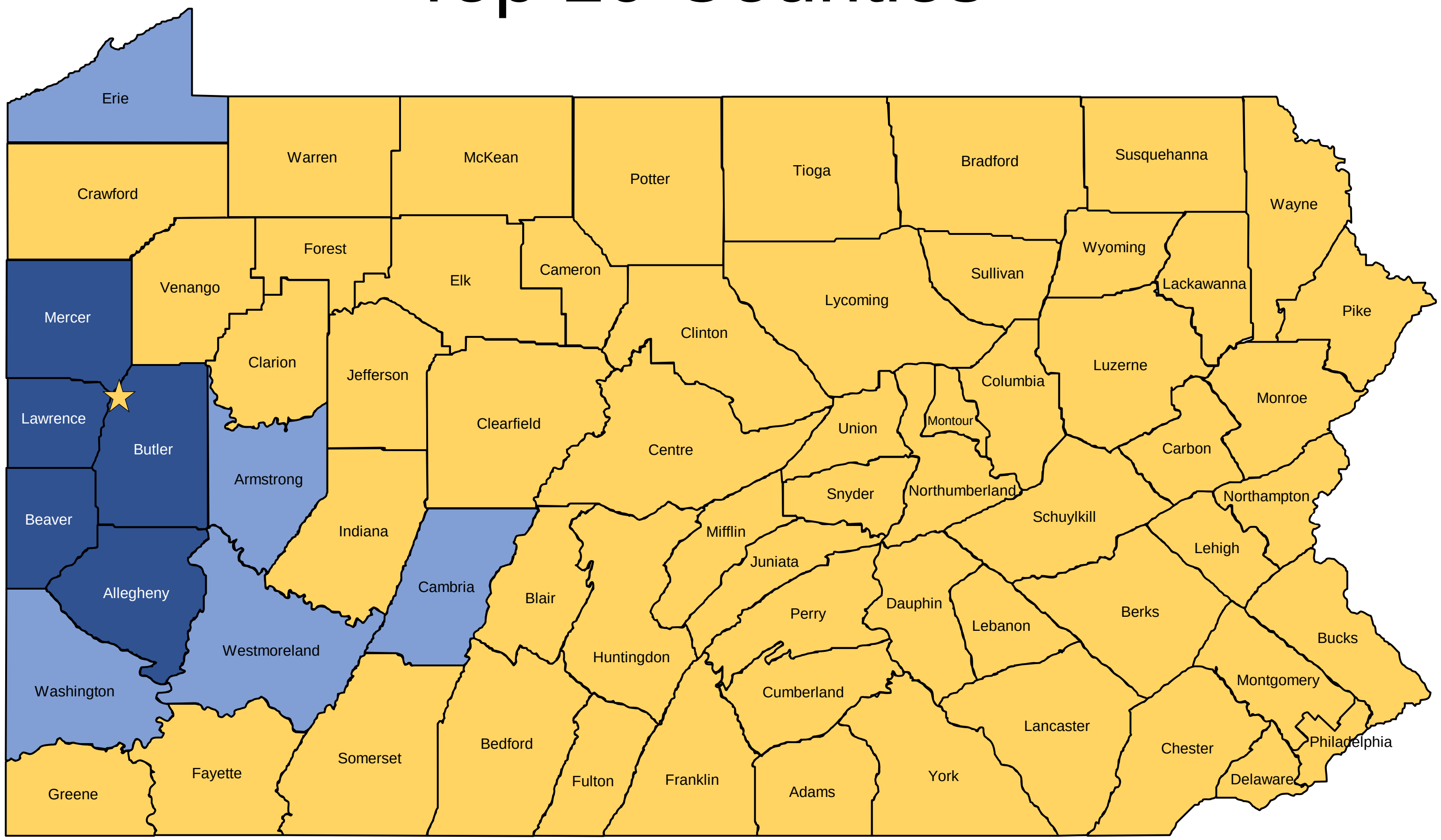


Top 5 counties: 59% of students

Counties 6–10: 14% of students

Top 10 counties: 73% of students

Fall 2006 Headcount Enrollment
Top 10 Counties

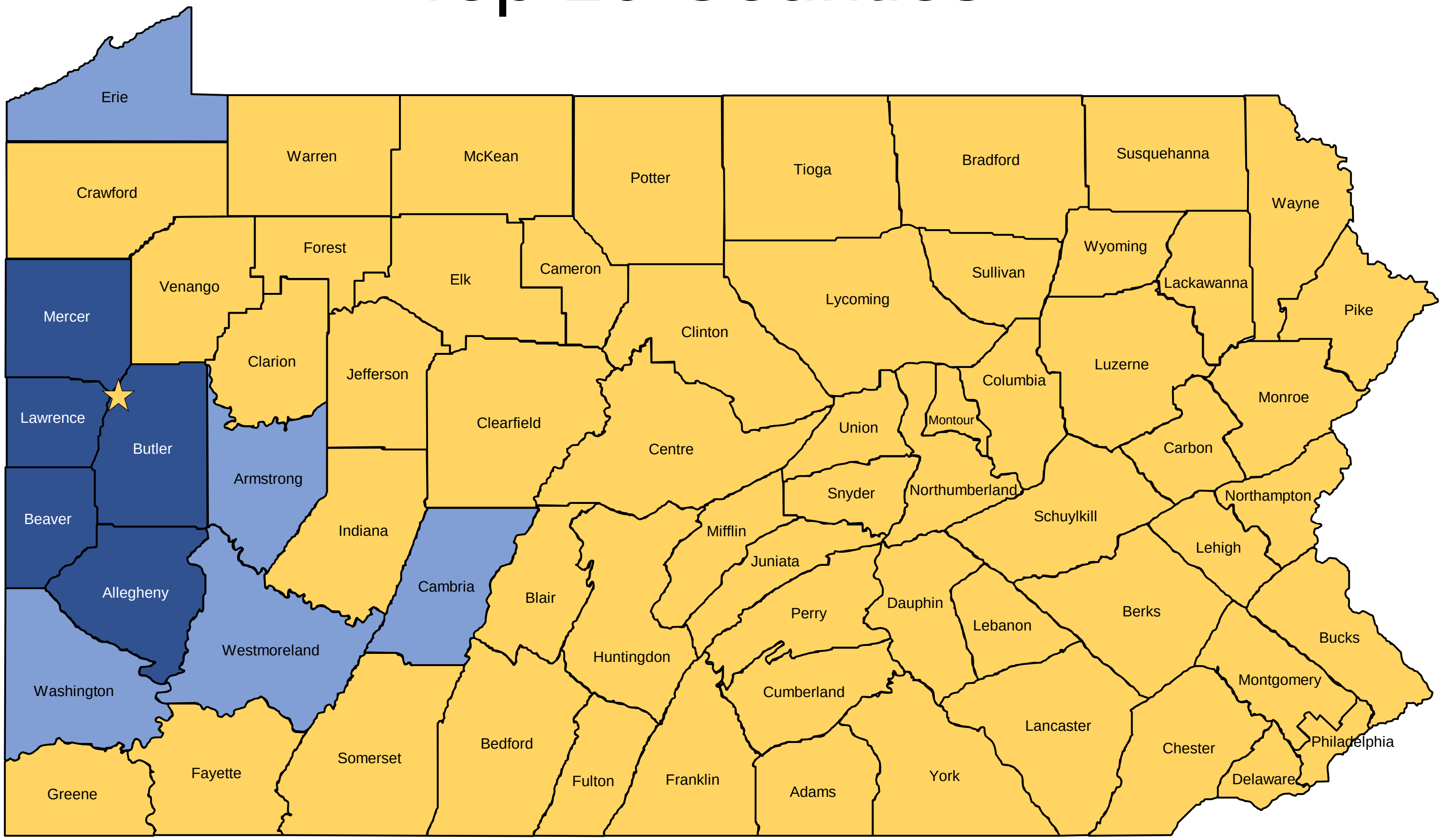


Top 5 counties: 58% of students

Counties 6–10: 13% of students

Top 10 counties: 71% of students

Fall 2007 Headcount Enrollment
Top 10 Counties

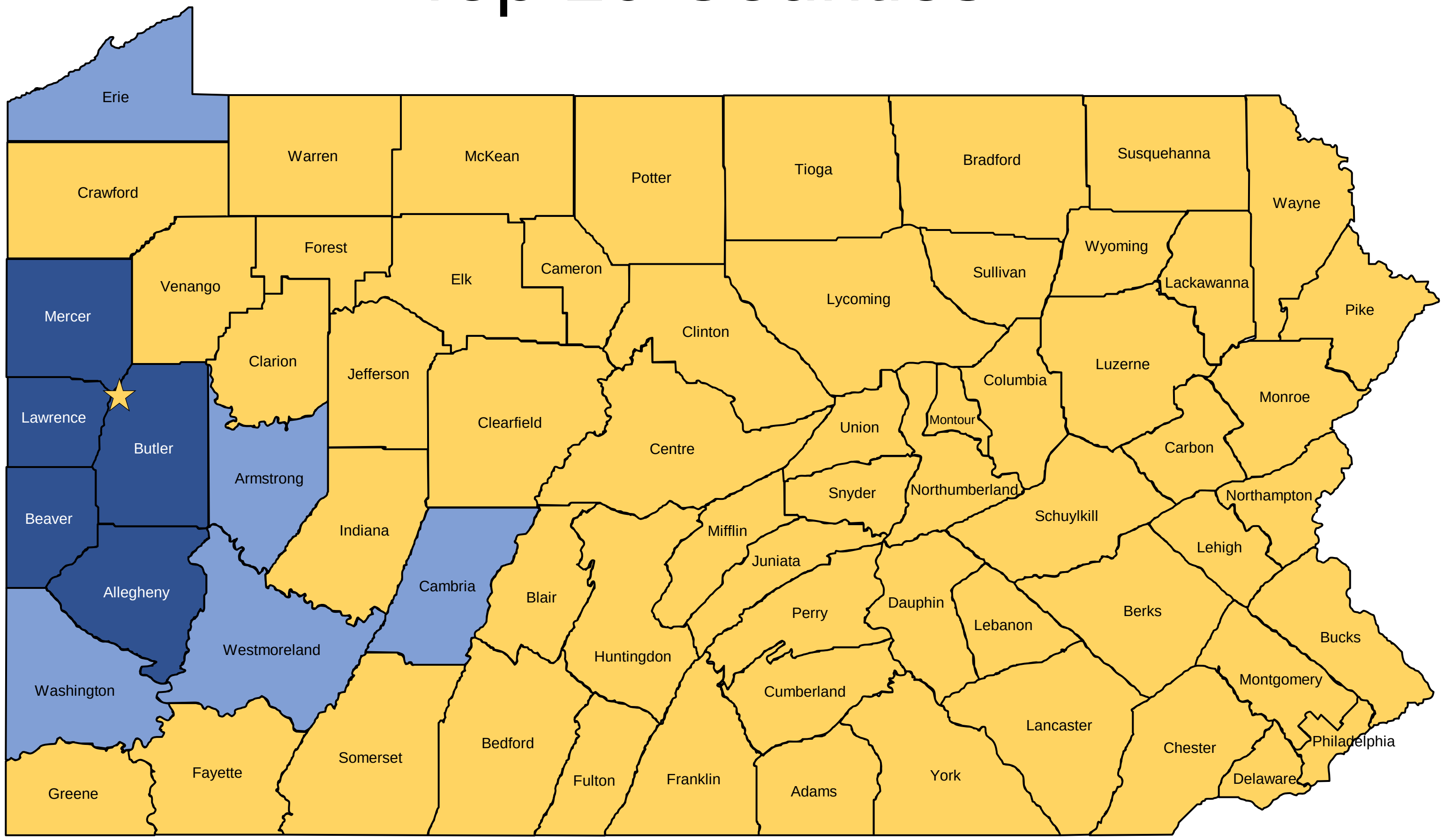


Top 5 counties: 58% of students

Counties 6–10: 14% of students

Top 10 counties: 72% of students

Fall 2008 Headcount Enrollment
Top 10 Counties

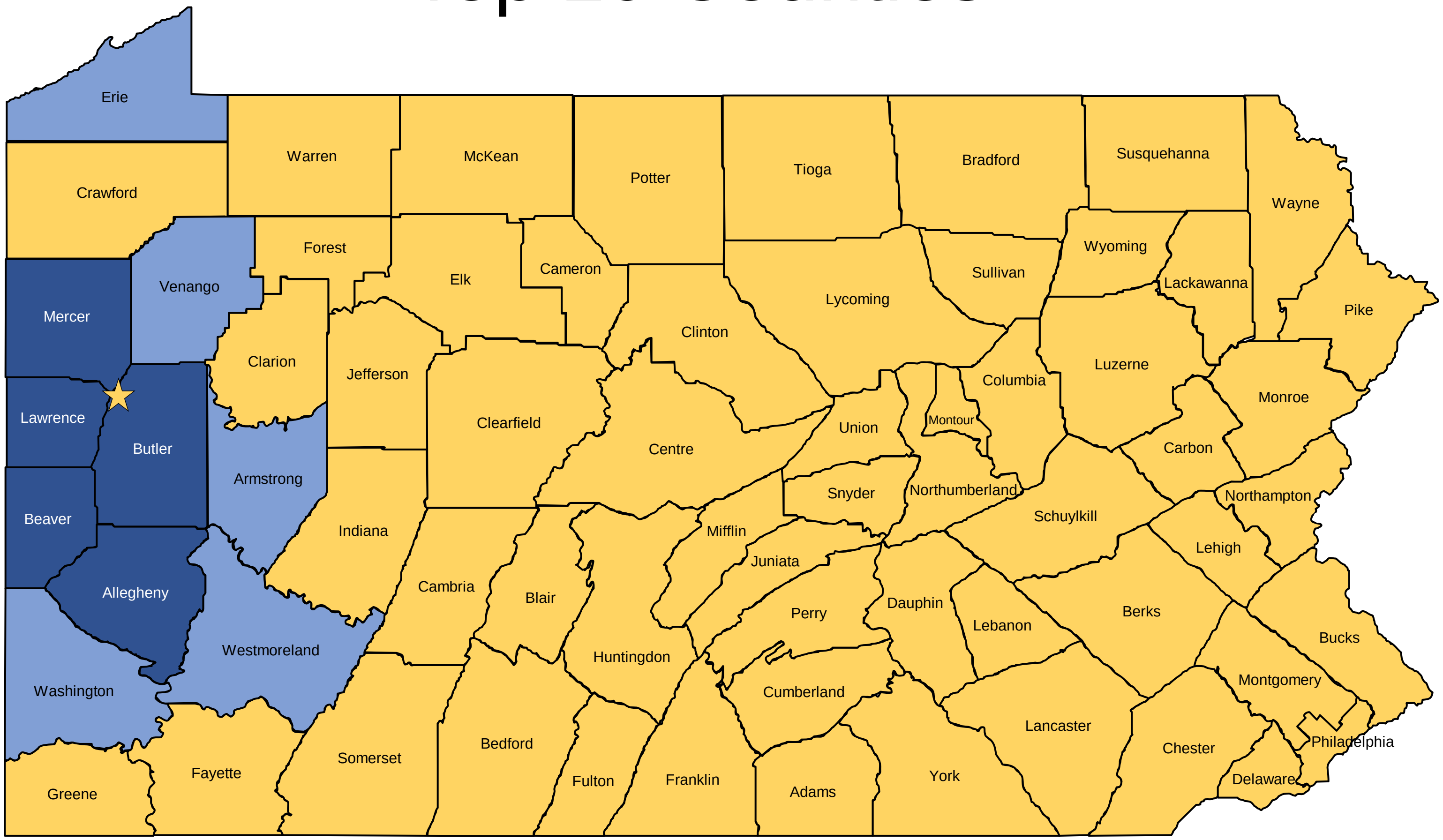


Top 5 counties: 58% of students

Counties 6–10: 13% of students

Top 10 counties: 71% of students

Fall 2009 Headcount Enrollment
Top 10 Counties

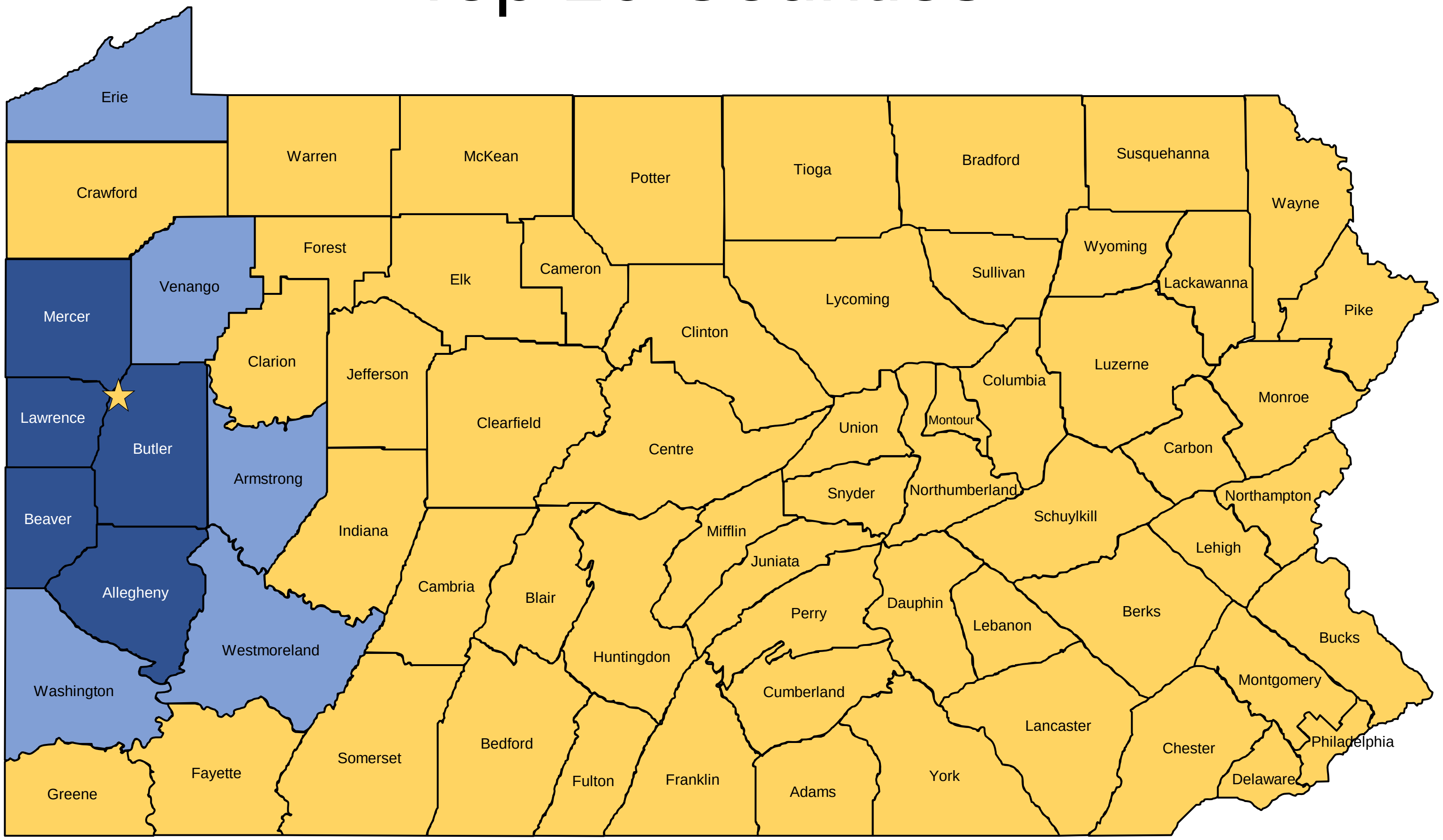


Top 5 counties: 57% of students

Counties 6–10: 14% of students

Top 10 counties: 71% of students

Fall 2010 Headcount Enrollment
Top 10 Counties

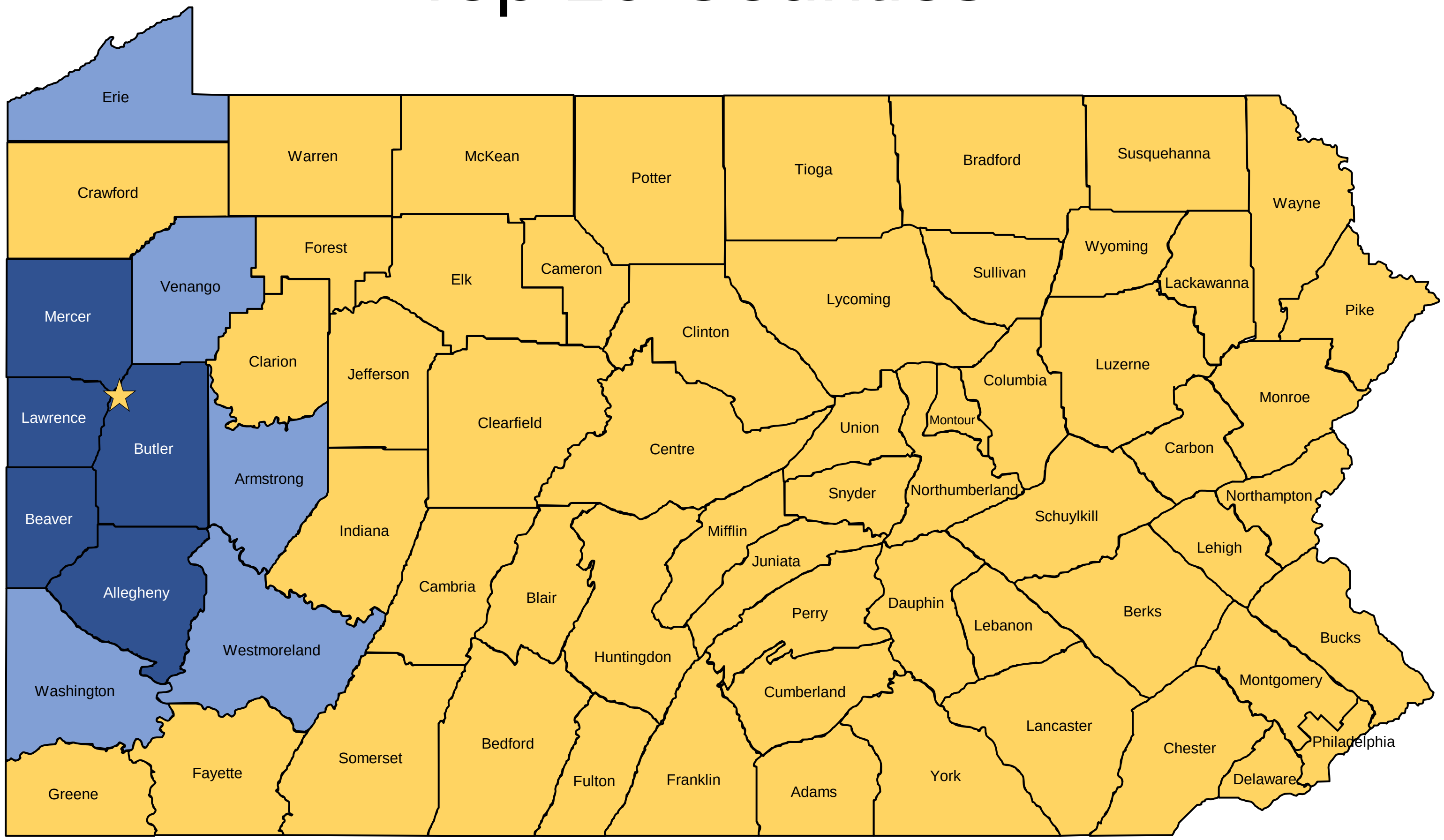


Top 5 counties: 56% of students

Counties 6–10: 13% of students

Top 10 counties: 69% of students

Fall 2011 Headcount Enrollment
Top 10 Counties

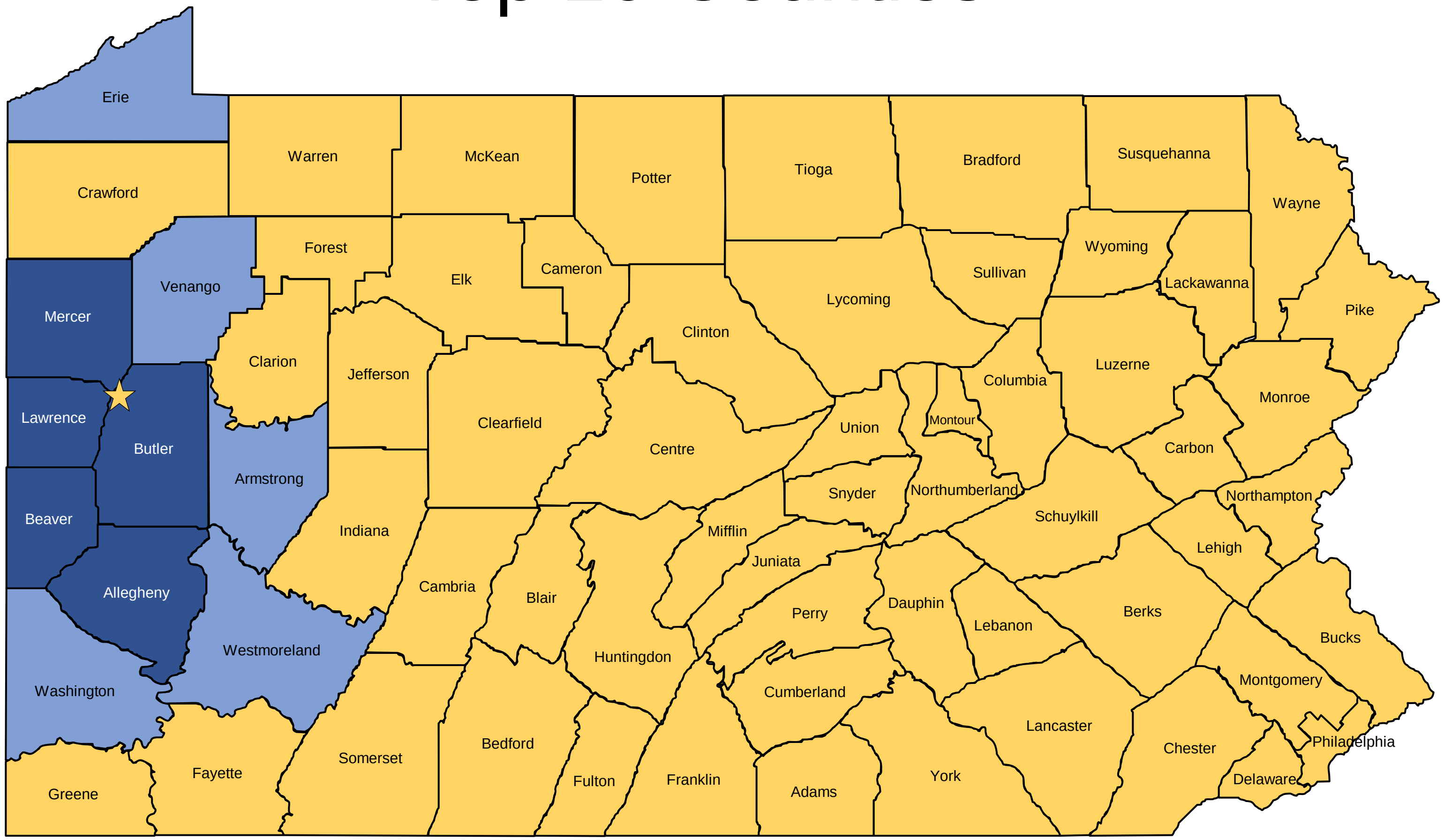


Top 5 counties: 55% of students

Counties 6–10: 14% of students

Top 10 counties: 69% of students

Fall 2012 Headcount Enrollment
Top 10 Counties

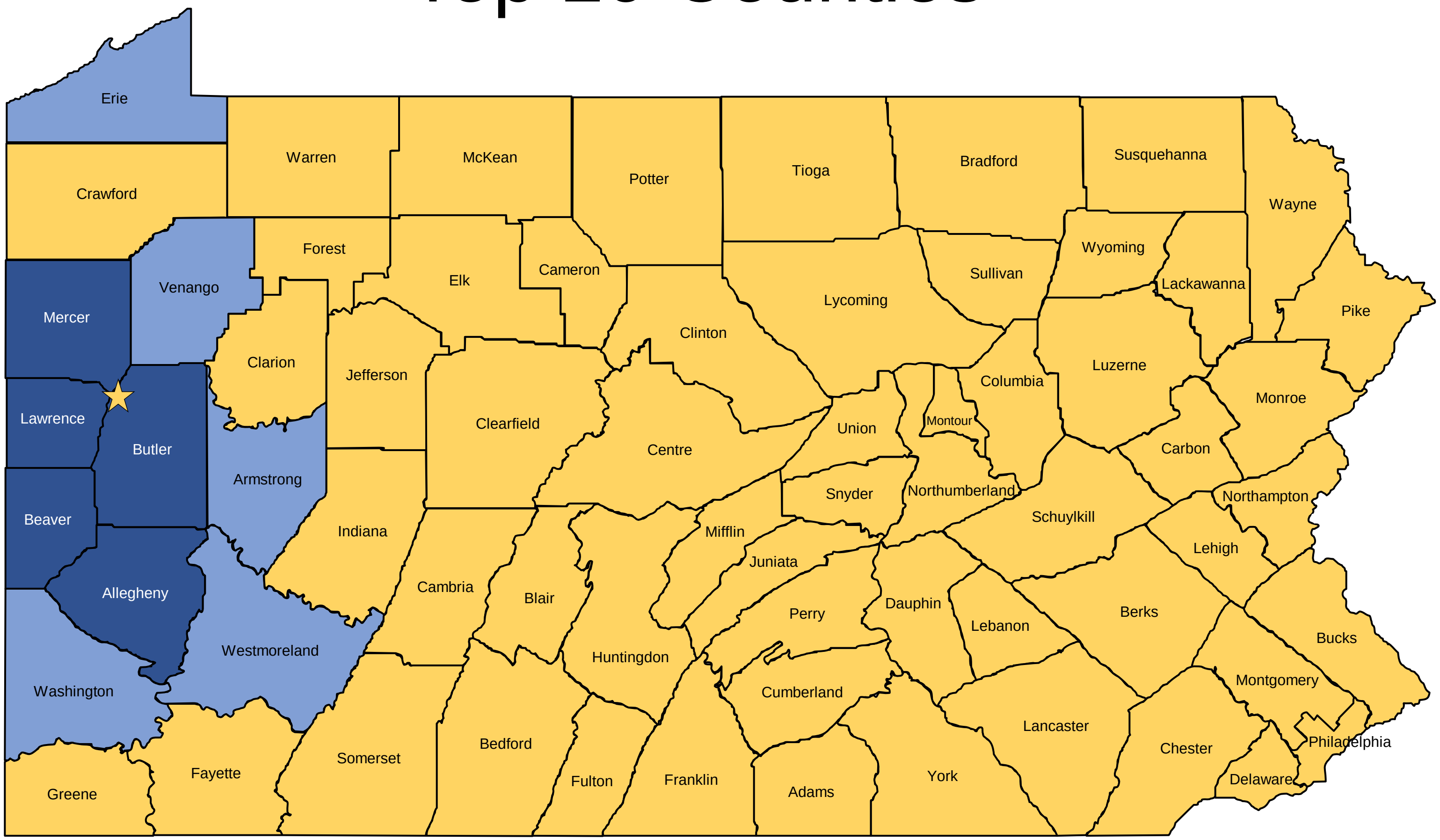


Top 5 counties: 54% of students

Counties 6–10: 14% of students

Top 10 counties: 68% of students

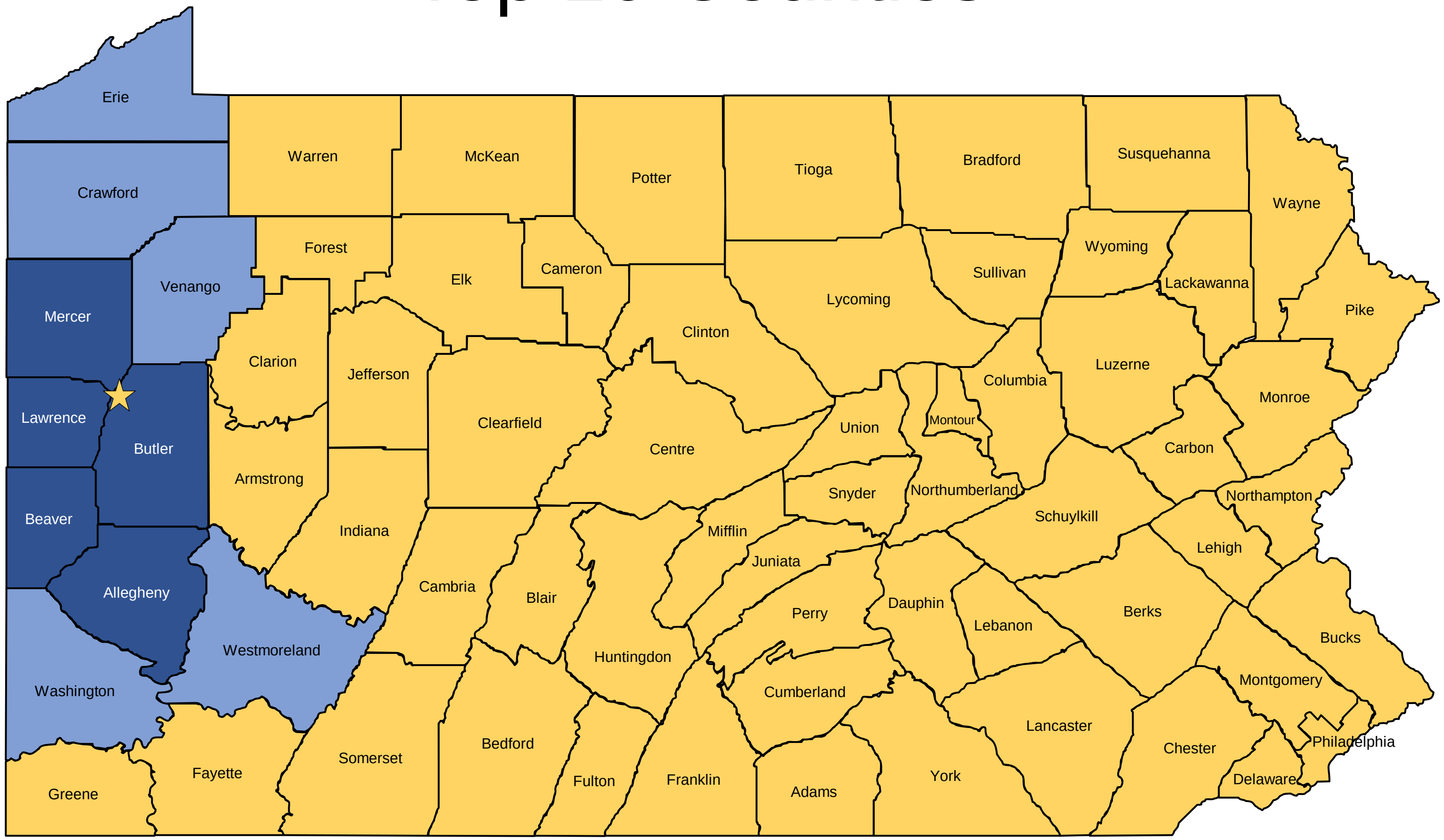
Fall 2013 Headcount Enrollment
Top 10 Counties



- Top 5 counties: 53% of students
- Counties 6–10: 15% of students

Top 10 counties: 68% of students

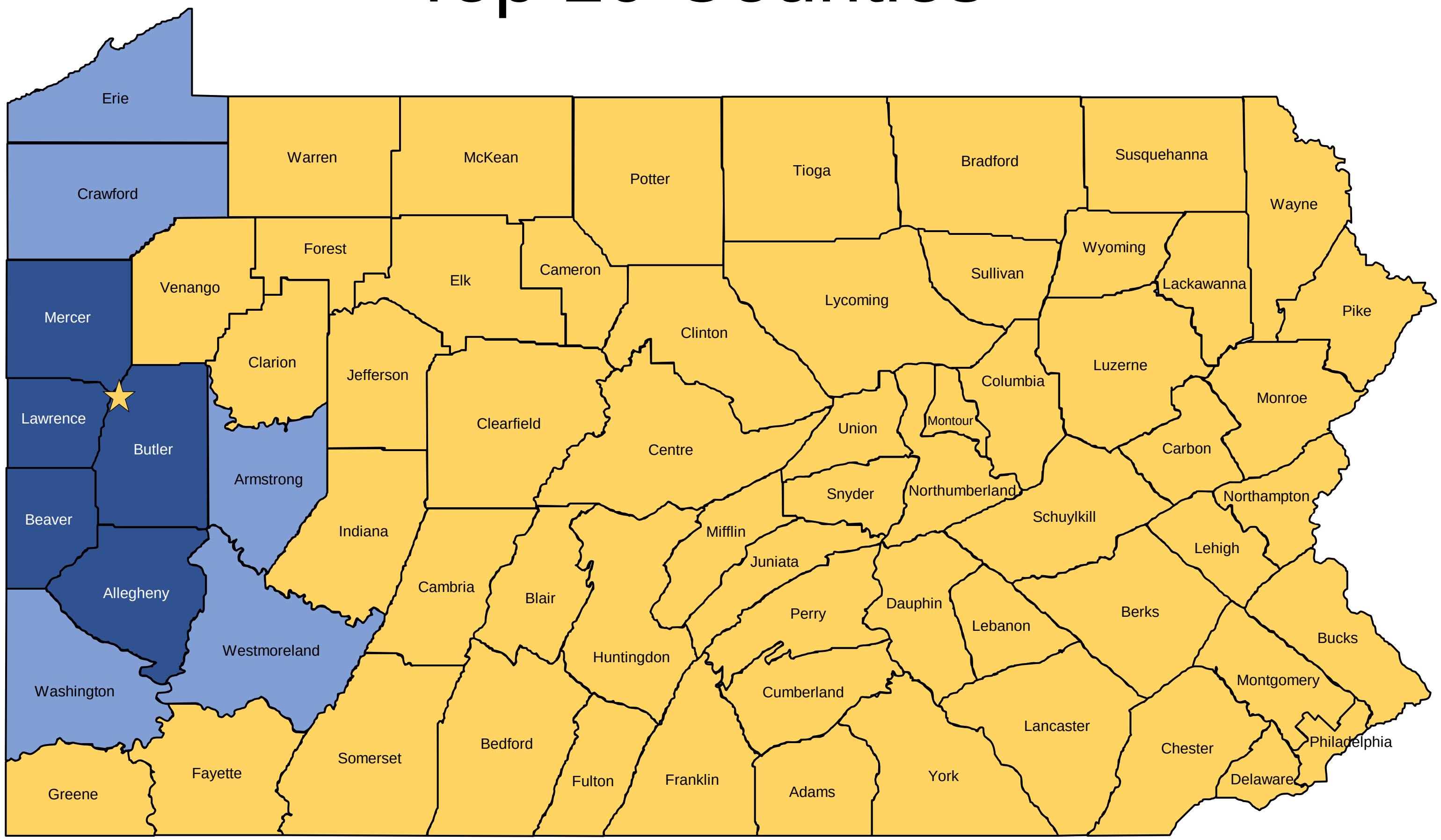
Fall 2014 Headcount Enrollment
Top 10 Counties



- Top 5 counties: 52% of students
- Counties 6–10: 15% of students

Top 10 counties: 67% of students

Fall 2015 Headcount Enrollment
Top 10 Counties



Top 5 counties: 51% of students

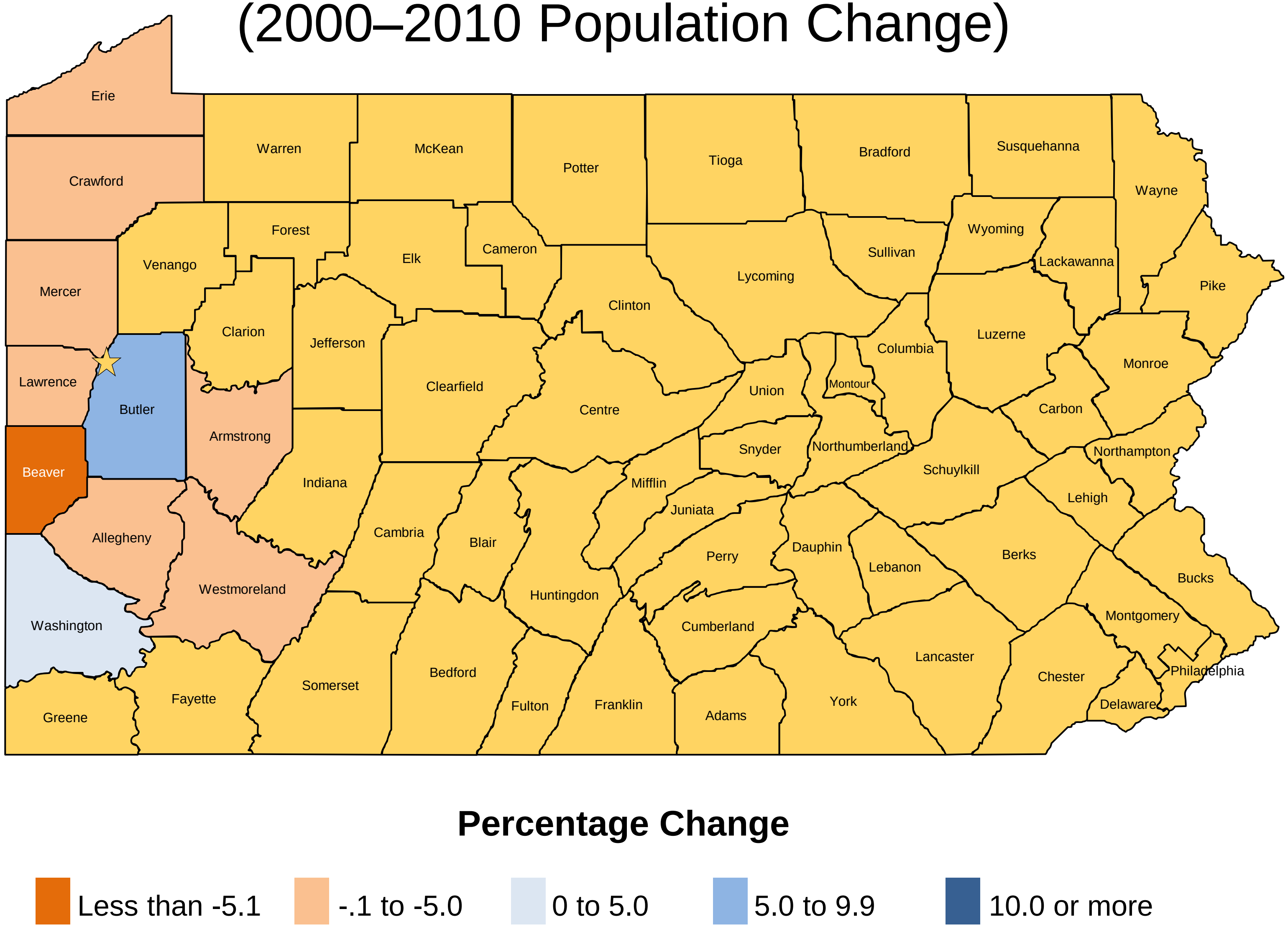
Counties 6–10: 15% of students

Top 10 counties: 66% of students

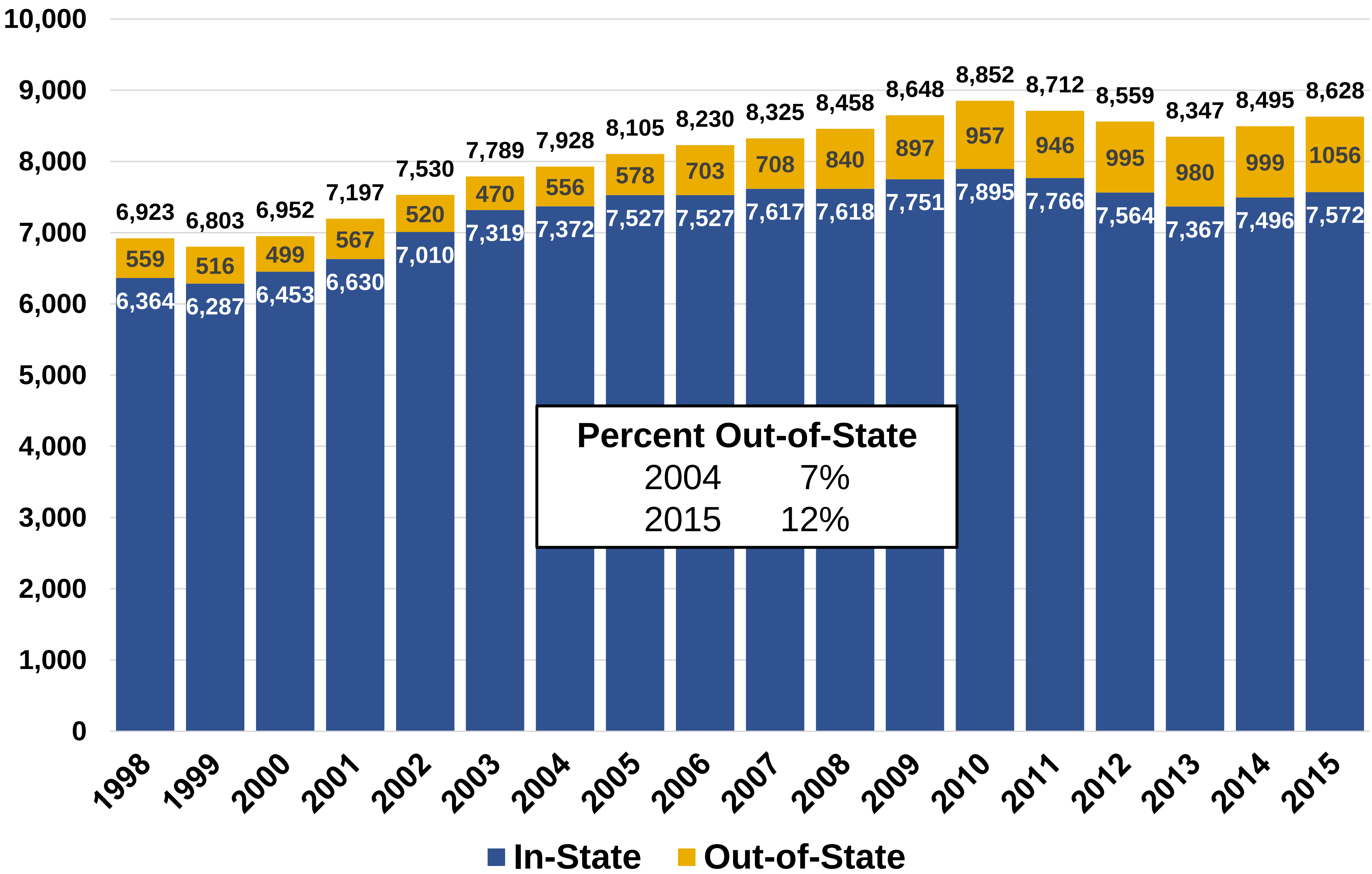
Fall 2015 Headcount Enrollment

Top 10 Counties: 66% of Students

(2000–2010 Population Change)



Fall Headcount Enrollment by Residency



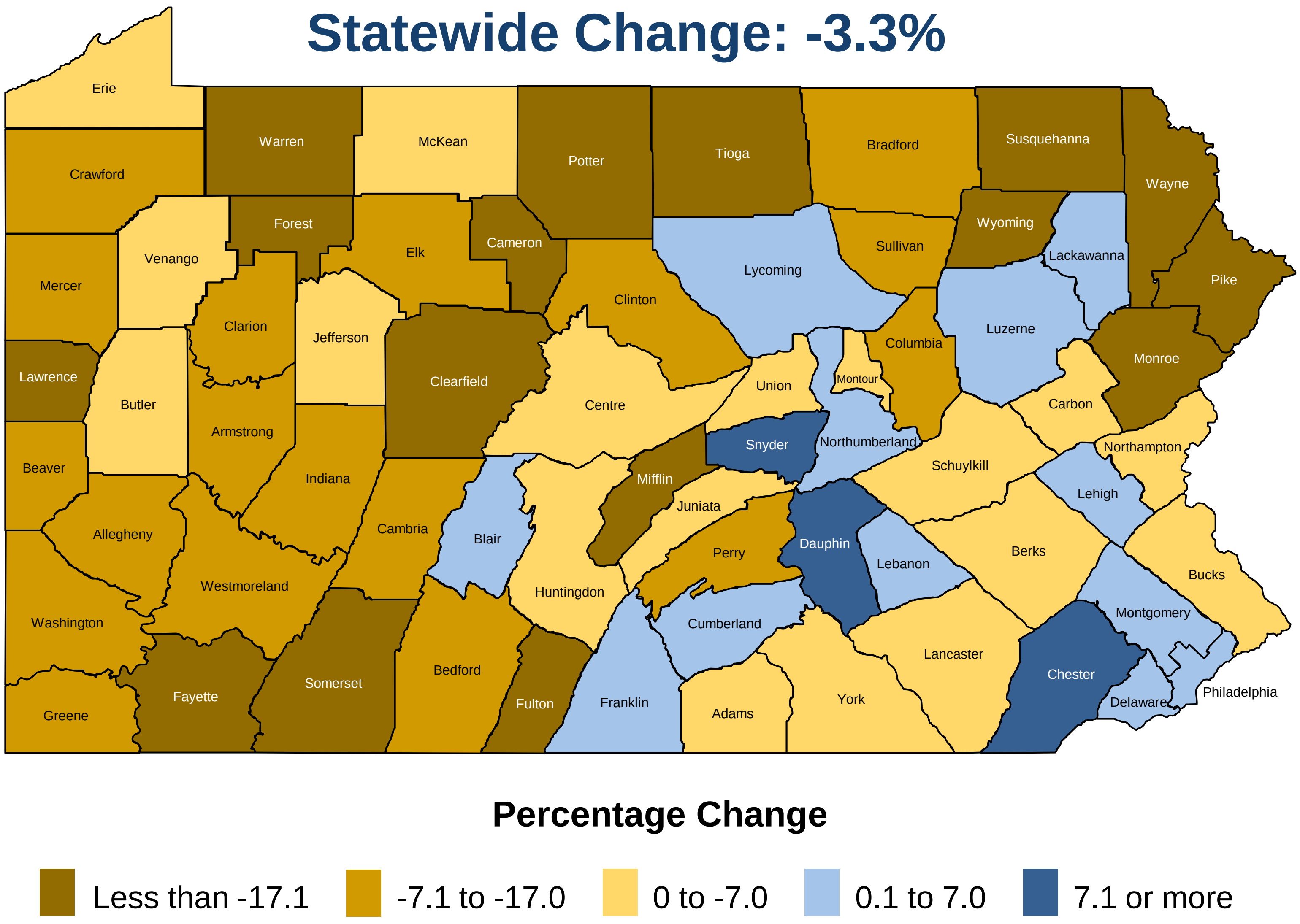
Fall 2015 Enrollment by County

Allegheny	1,828
Butler	1,114
Out-of-State	**1,056**
Mercer	544
Beaver	479
Lawrence	473
Westmoreland	400
Erie	317
Washington	289
Crawford	134
Armstrong	130
Venango	130
Cambria	90
Fayette	89
Lancaster	73

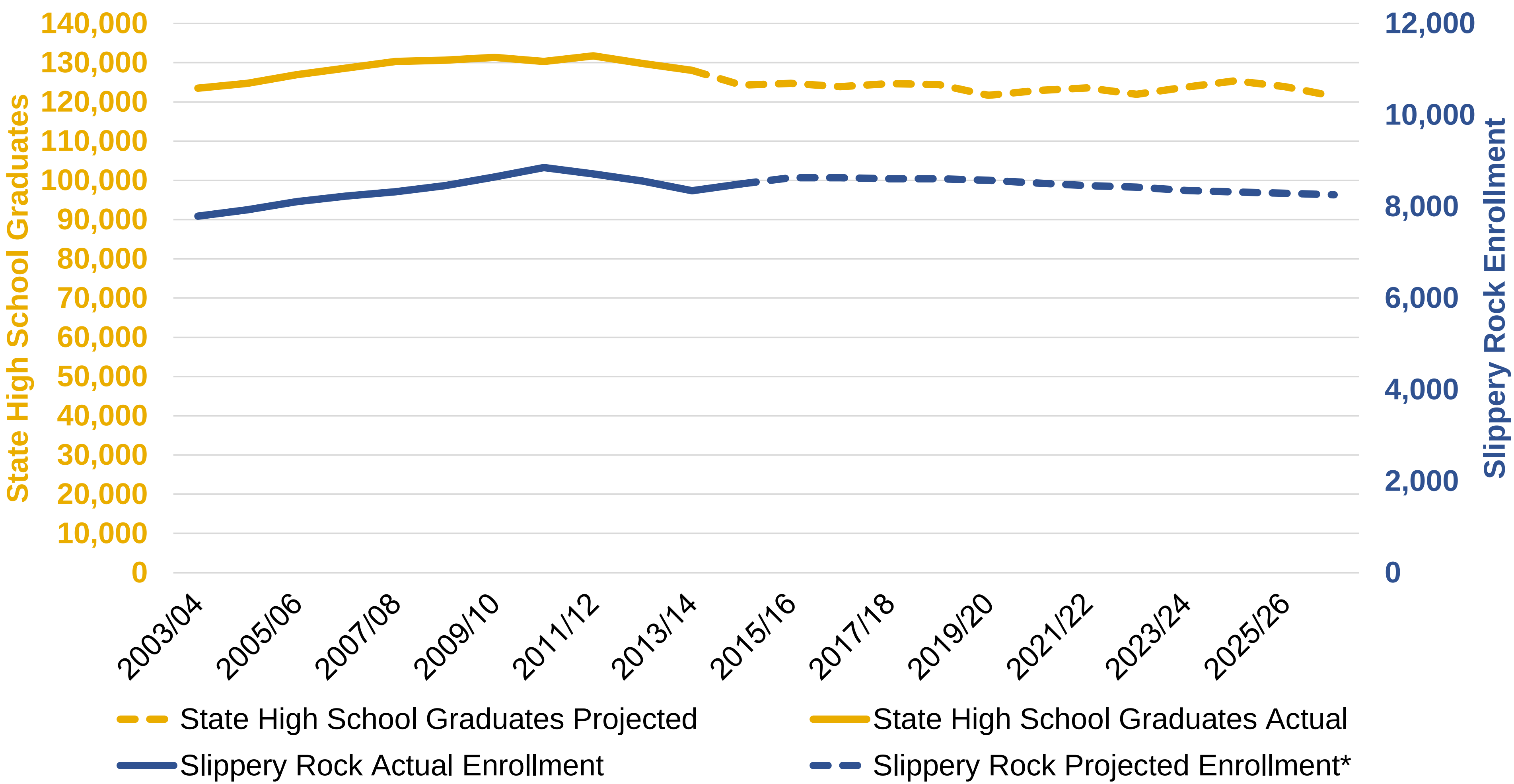
Clearfield	72
York	69
Clarion	68
Montgomery	68
Bucks	64
Berks	56
Chester	54
Dauphin	54
Elk	54
Warren	54
Cumberland	49
Blair	46
Indiana	46
All Other PA Counties	728
Total	8,628

Pennsylvania County High School Graduates

Projected Change: 2014–2024



Headcount Enrollment
Based on High School Graduates by County*



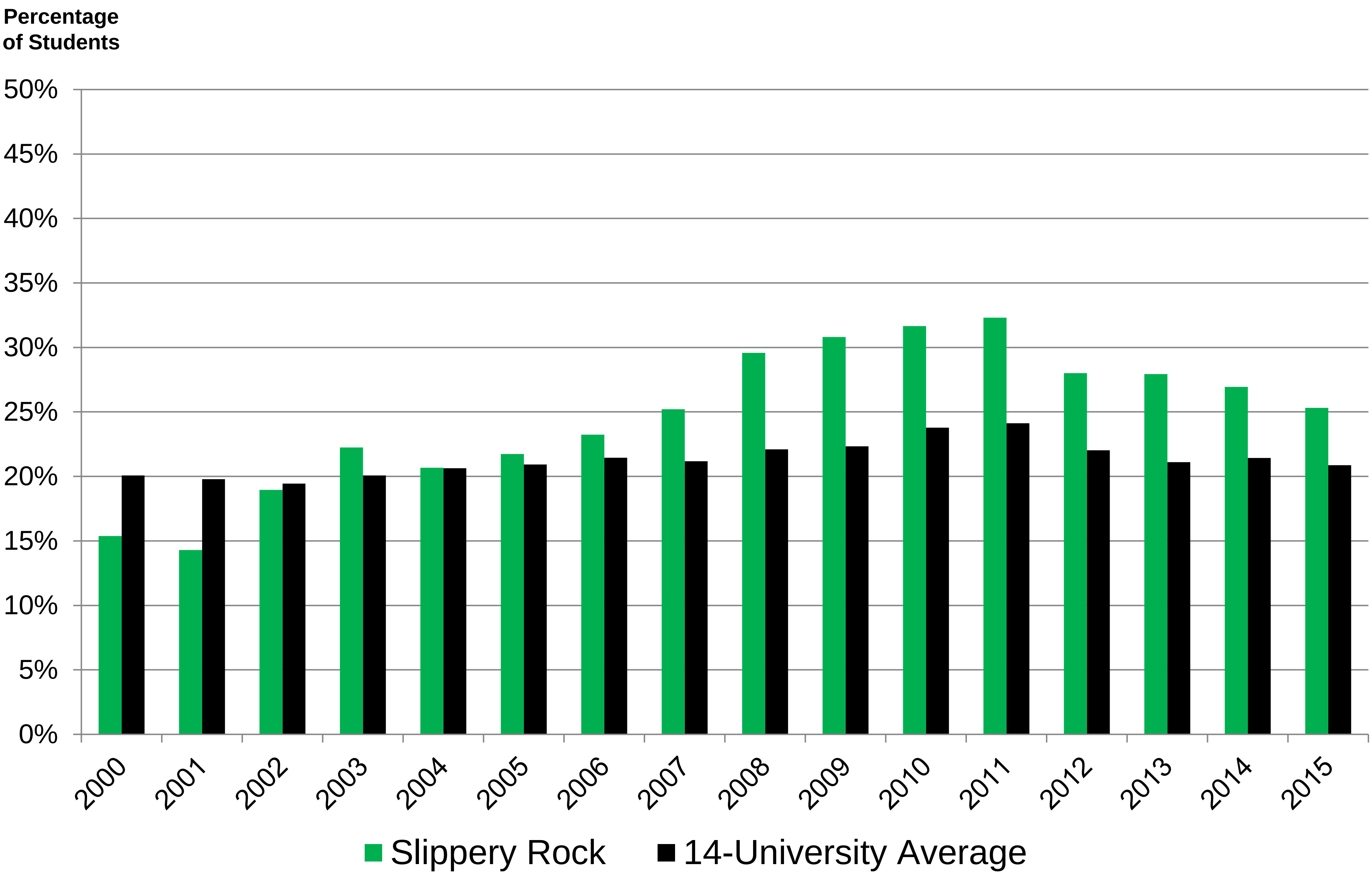
**Projected by Office of the Chancellor. No change estimated for out-of-state enrollment.*
Source for high school graduate estimates: Pennsylvania Departments of Health and Education. Methods based on Western Interstate Commission for Higher Education; updated by System Research Office November 2015.

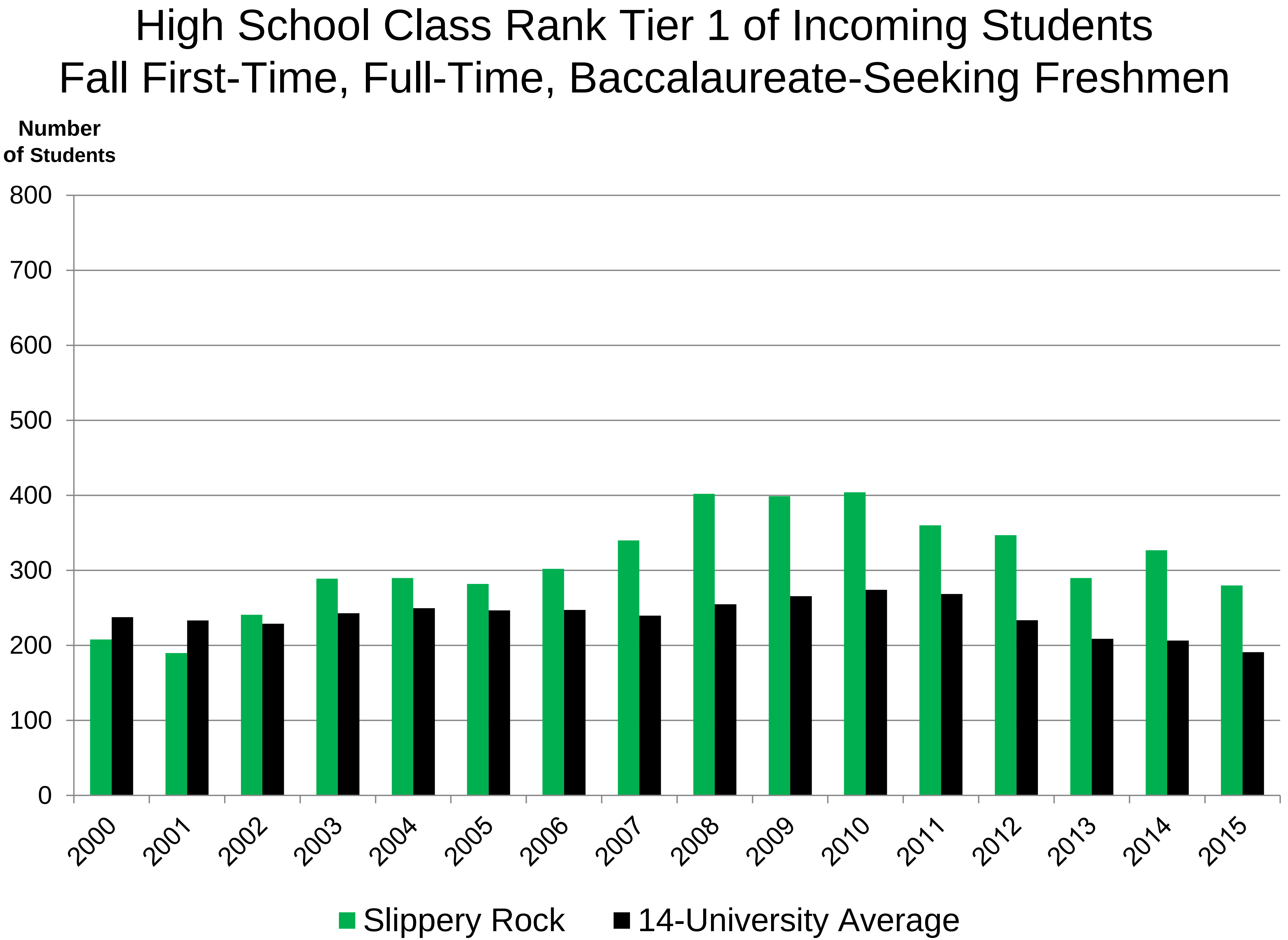
Brand Strength

College preparedness of incoming students is an indicator of brand strength.

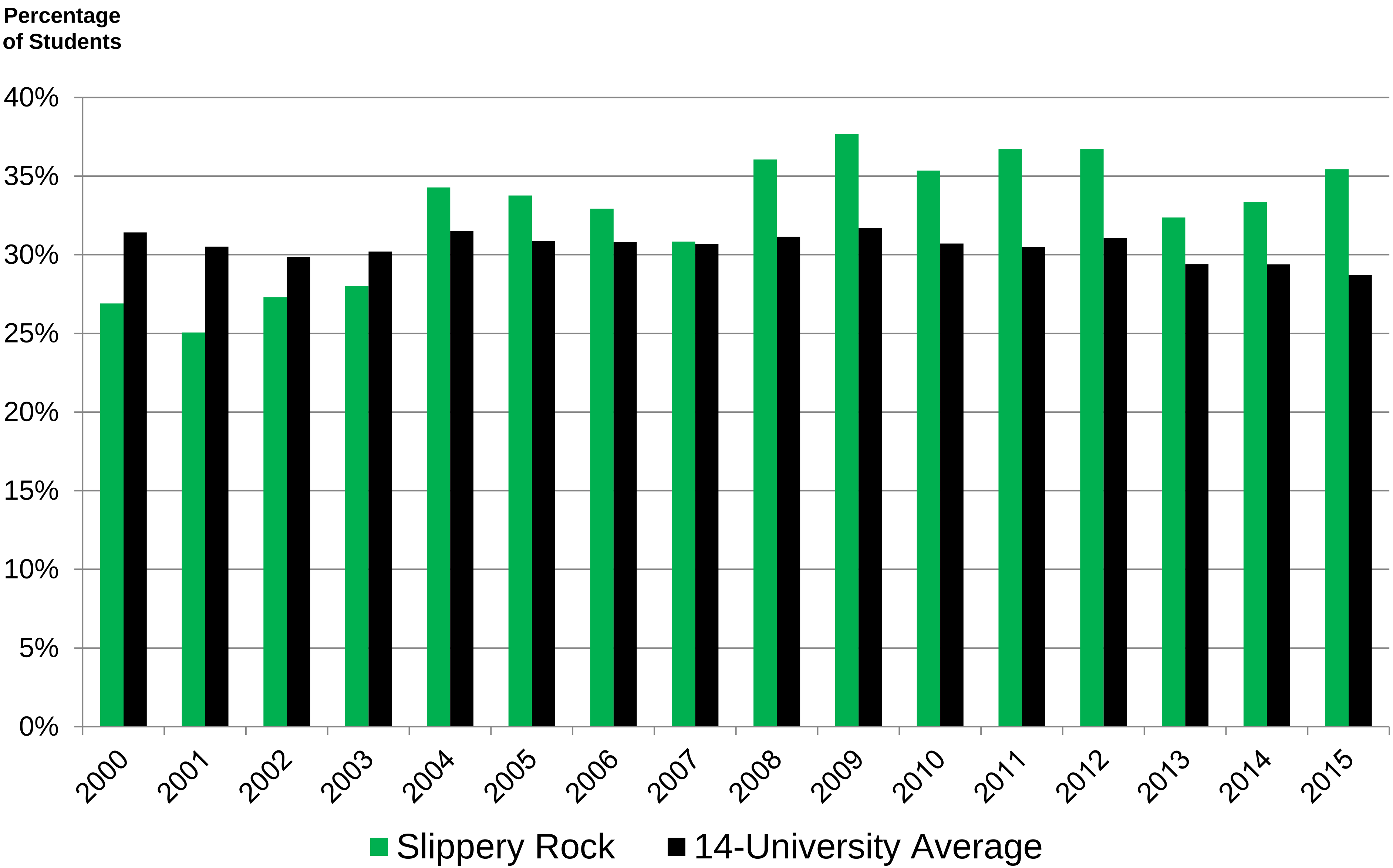
- **Incoming freshman enrollment by quintile of high school rank**
- **Selectivity**
- **Matriculation**
- **SAT scores**

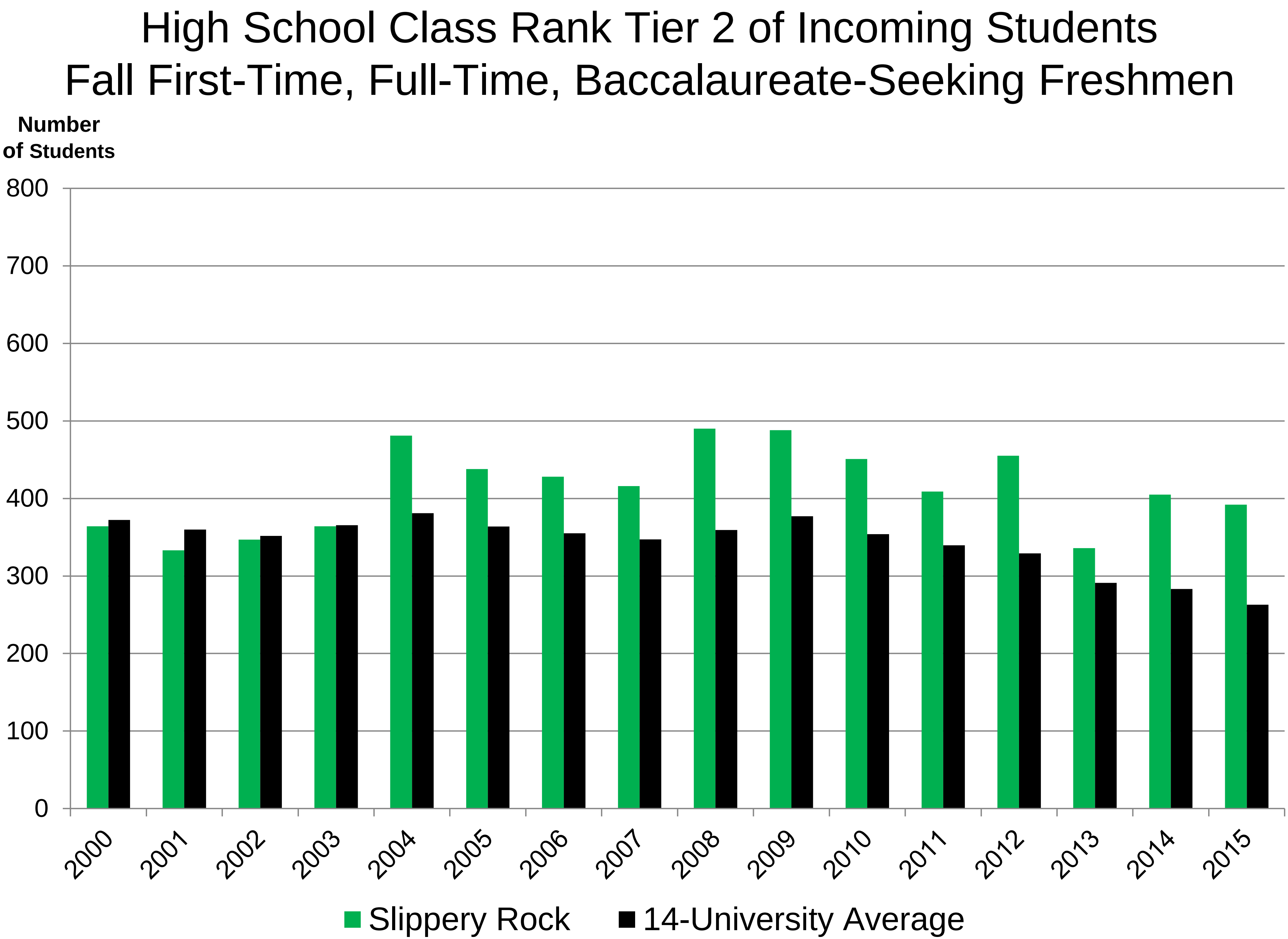
High School Class Rank Tier 1 Percentage of Incoming Students
Fall First-Time, Full-Time, Baccalaureate-Seeking Freshmen

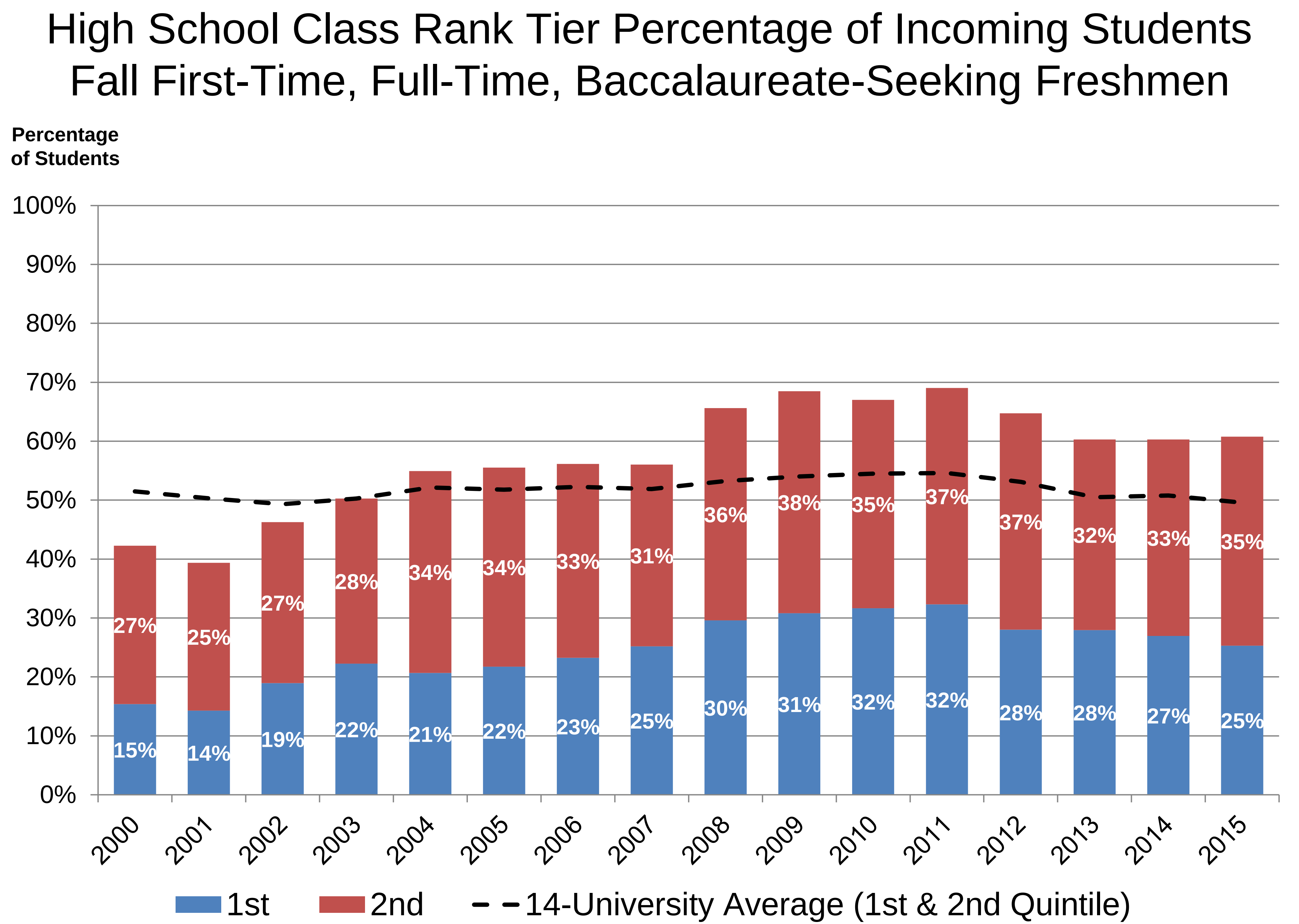



High School Class Rank Tier 1 of Incoming Students
Fall First-Time, Full-Time, Baccalaureate-Seeking Freshmen
Number of Students
800
700
600
500
400
300
200
100
0
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
Slippery Rock
14-University Average

High School Class Rank Tier 2 Percentage of Incoming Students
Fall First-Time, Full-Time, Baccalaureate-Seeking Freshmen

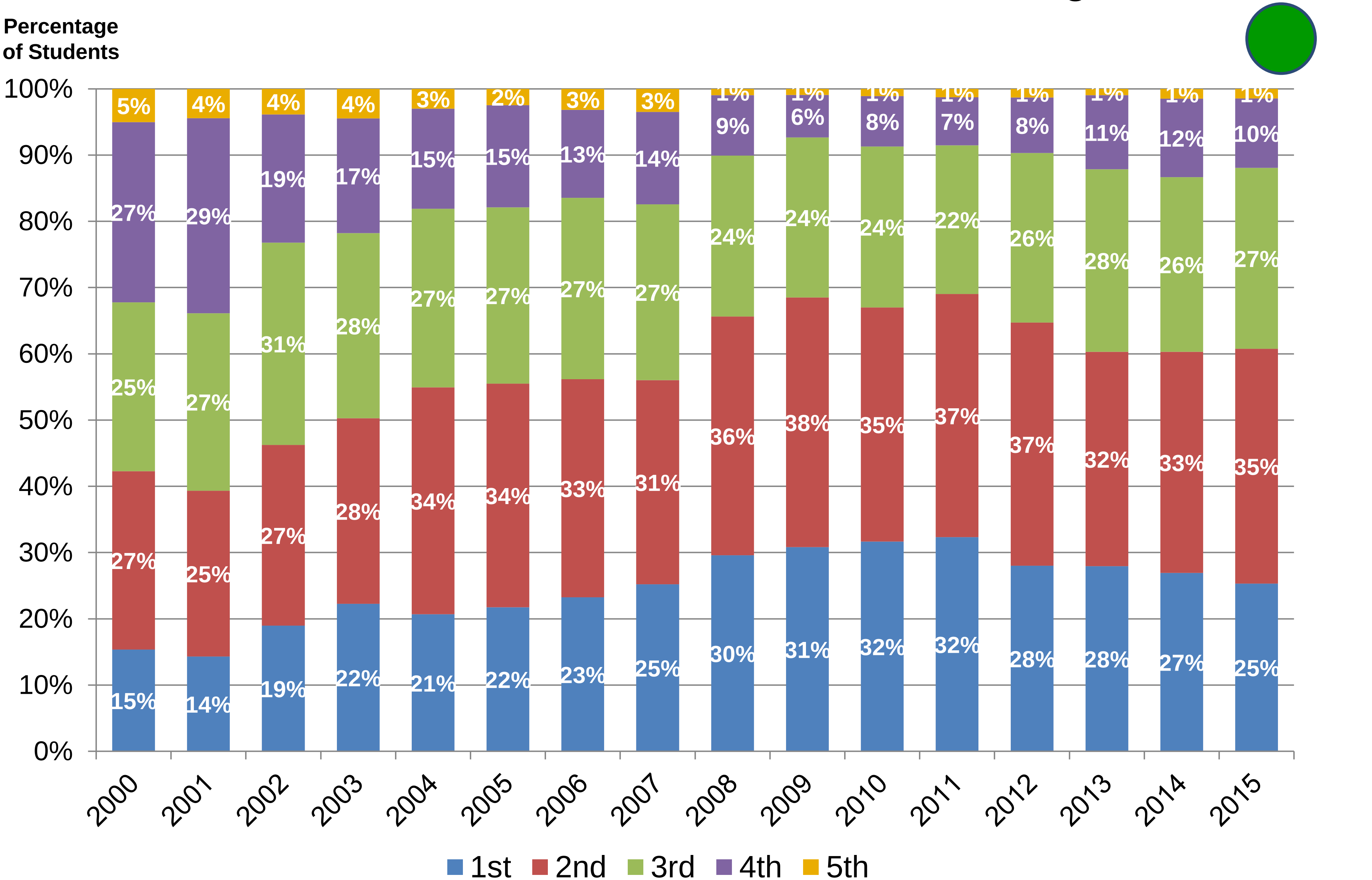



High School Class Rank Tier 2 of Incoming Students
Fall First-Time, Full-Time, Baccalaureate-Seeking Freshmen
Number of Students
800
700
600
500
400
300
200
100
0
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
Slippery Rock
14-University Average

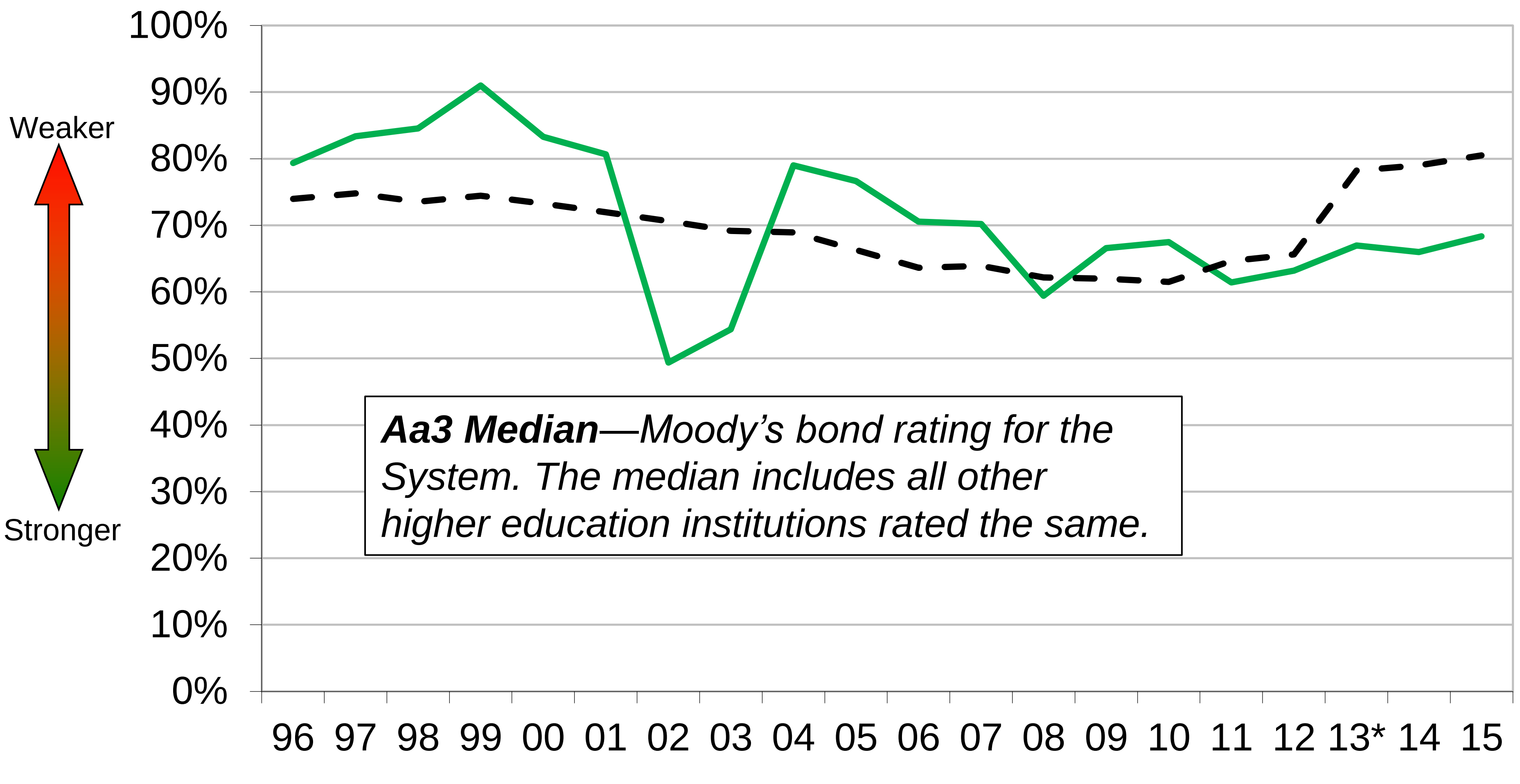


High School Class Rank Tier Percentage of Incoming Students
Fall First-Time, Full-Time, Baccalaureate-Seeking Freshmen
Percentage of Students
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
15%
14%
19%
22%
21%
22%
23%
25%
30%
31%
32%
32%
28%
28%
27%
25%
27%
25%
27%
28%
34%
34%
33%
31%
36%
38%
35%
37%
37%
32%
33%
35%
1st
2nd
14-University Average (1st & 2nd Quintile)

High School Class Rank Tier Percentage of Incoming Students
Fall First-Time, Full-Time, Baccalaureate-Seeking Freshmen



Selectivity

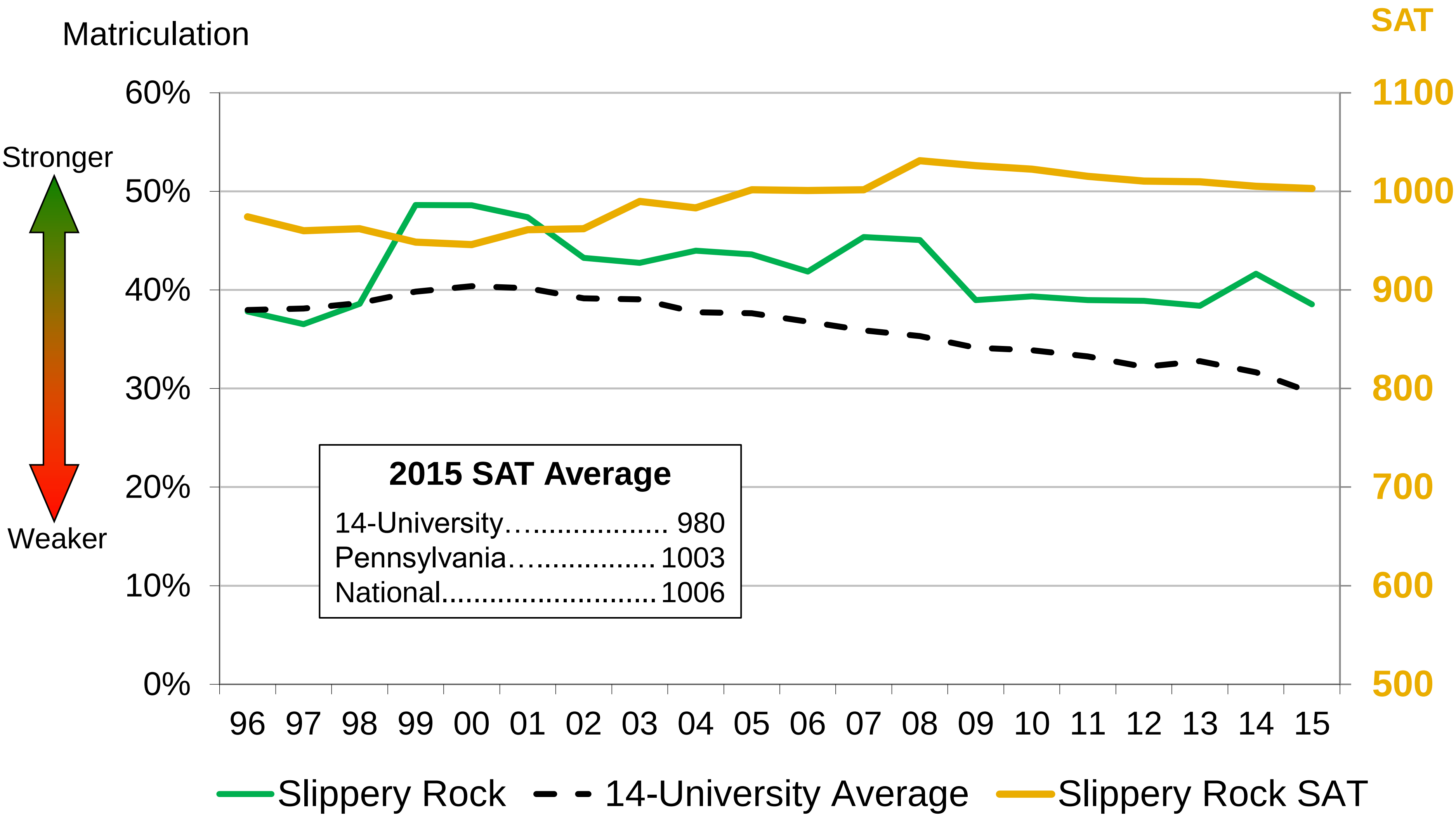


*Change of methodology for counting completed applications

Median Aa3 (2014) = 74.6%

Selectivity—% of applicants accepted

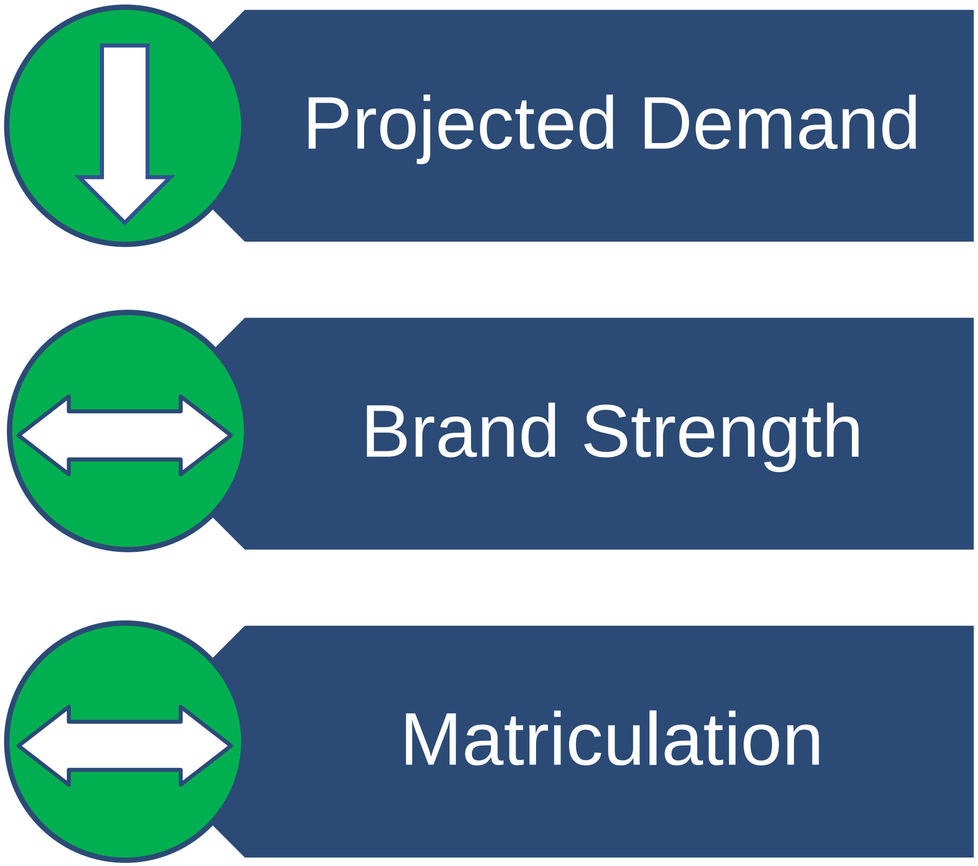
Matriculation/SAT



Median Aa3 (2014) = 33.6%

Matriculation—% of accepted students who enroll

Market Demand



Operating Efficiency

Stewardship of Physical Resources

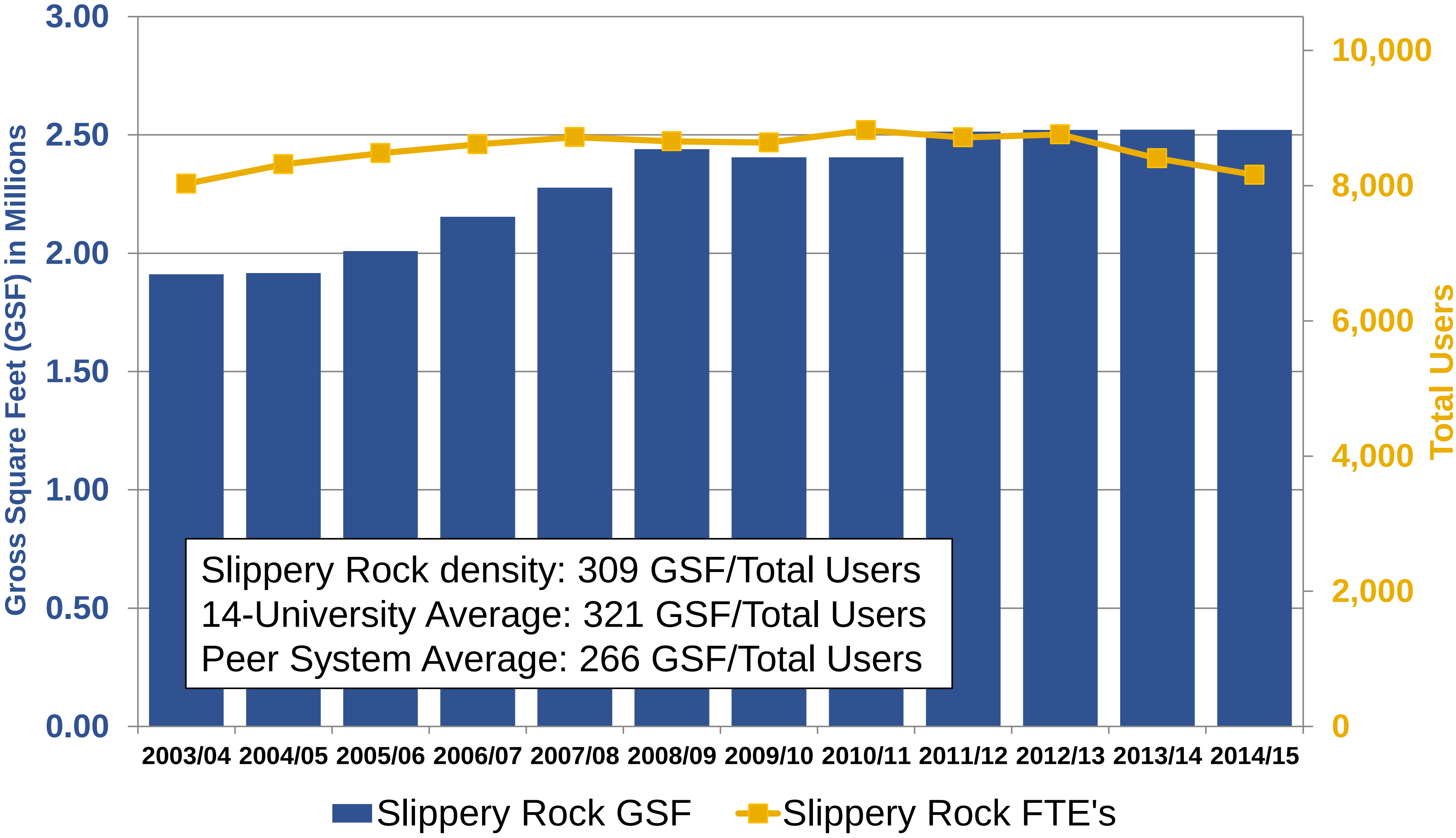
- Density of Space
- Investment in Plant

Stewardship of Financial Resources

- Revenue Sources
- Expenses Per Student

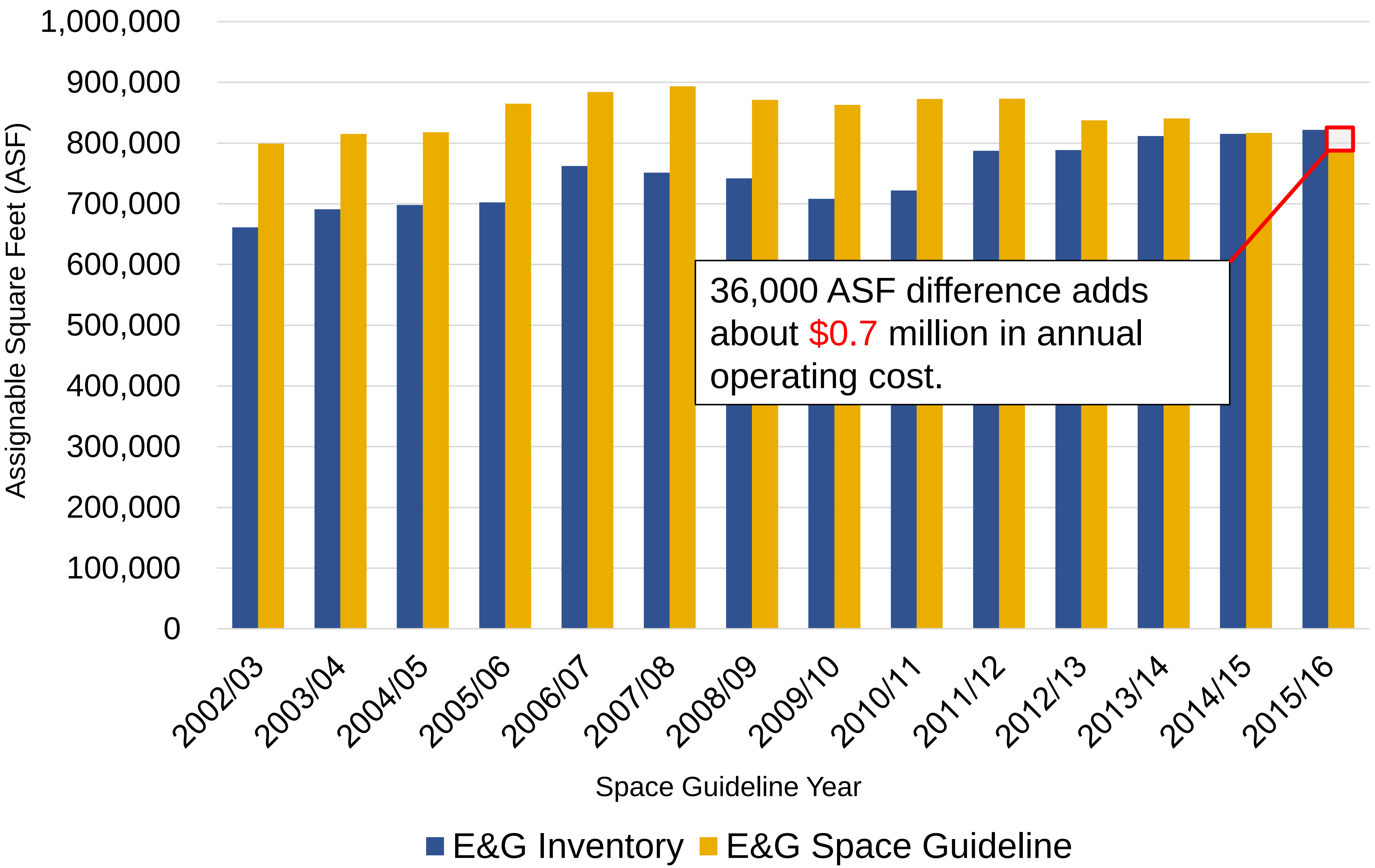
Space on Campus vs. Total Users

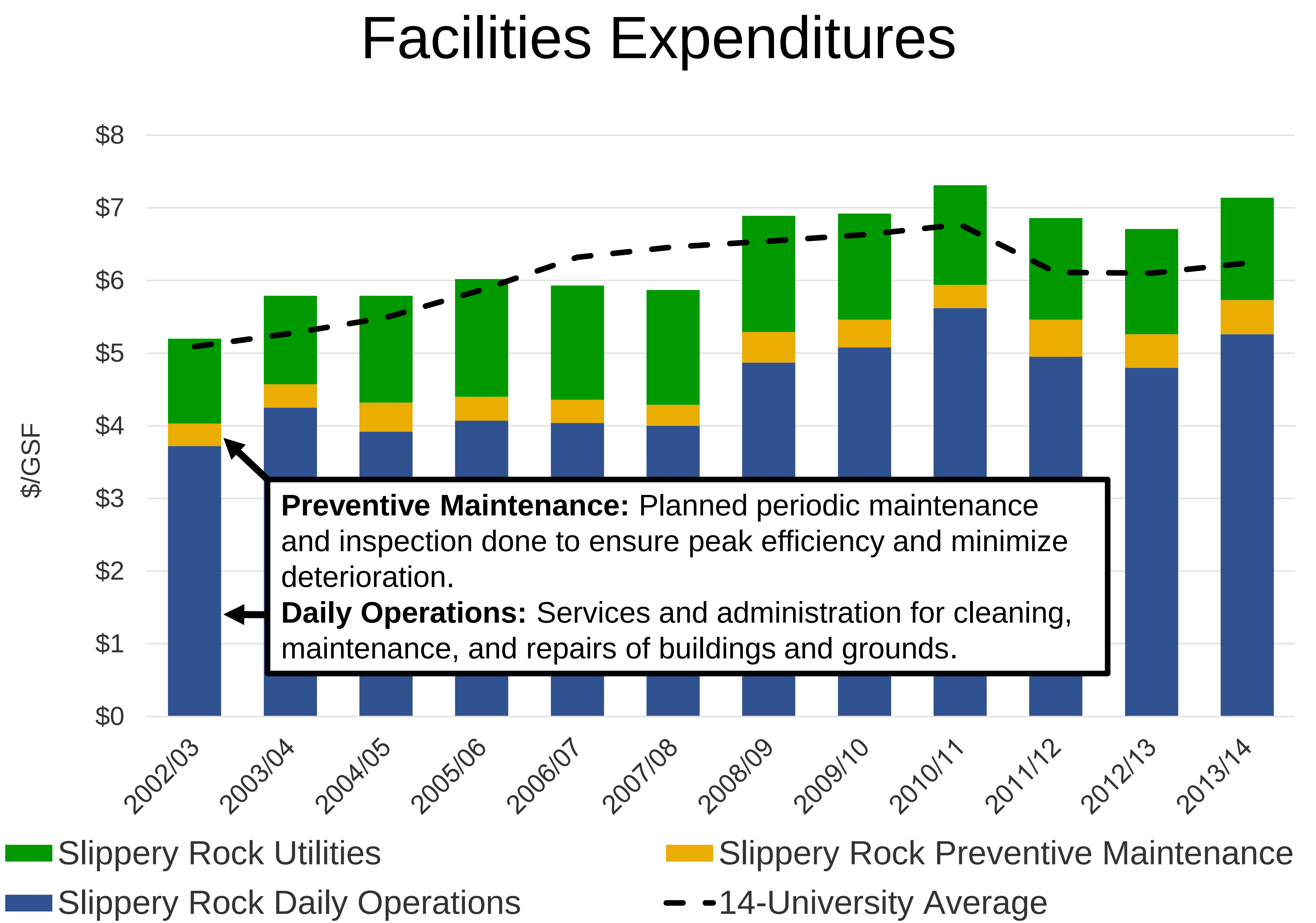
E&G and Auxiliary Space



**Includes FTE students and employees*

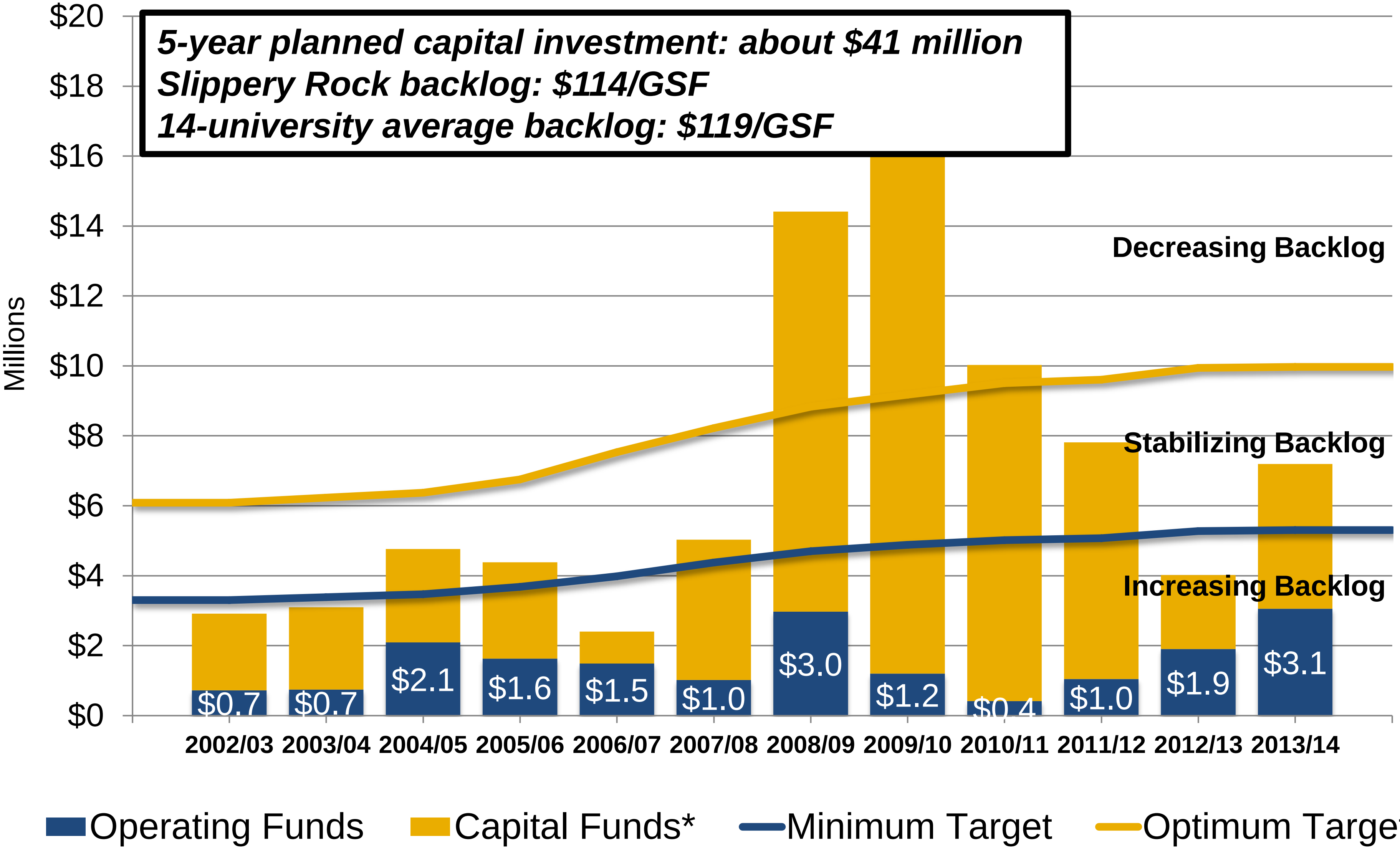
E&G Space Guidelines vs. Actual Inventory




Facilities Expenditures
$8
$7
$6
$5
$4
$3
$2
$1
$0
$/GSF
Preventive Maintenance: Planned periodic maintenance and inspection done to ensure peak efficiency and minimize deterioration.
Daily Operations: Services and administration for cleaning, maintenance, and repairs of buildings and grounds.
2002/03
2003/04
2004/05
2005/06
2006/07
2007/08
2008/09
2009/10
2010/11
2011/12
2012/13
2013/14
Slippery Rock Utilities
Slippery Rock Preventive Maintenance
Slippery Rock Daily Operations
14-University Average

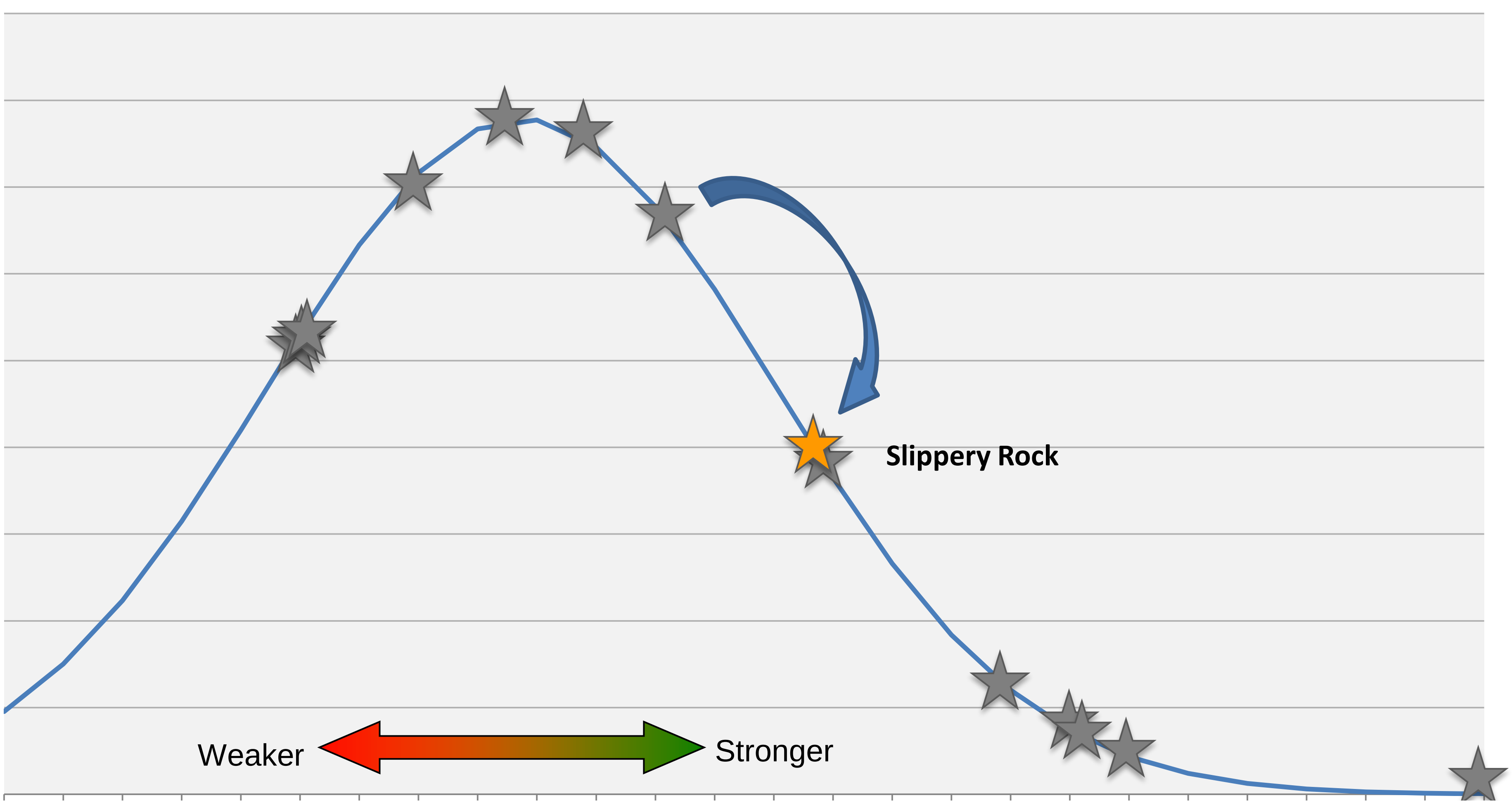
E&G Facilities Investment vs. Targets

Impact on Deferred Maintenance Backlog



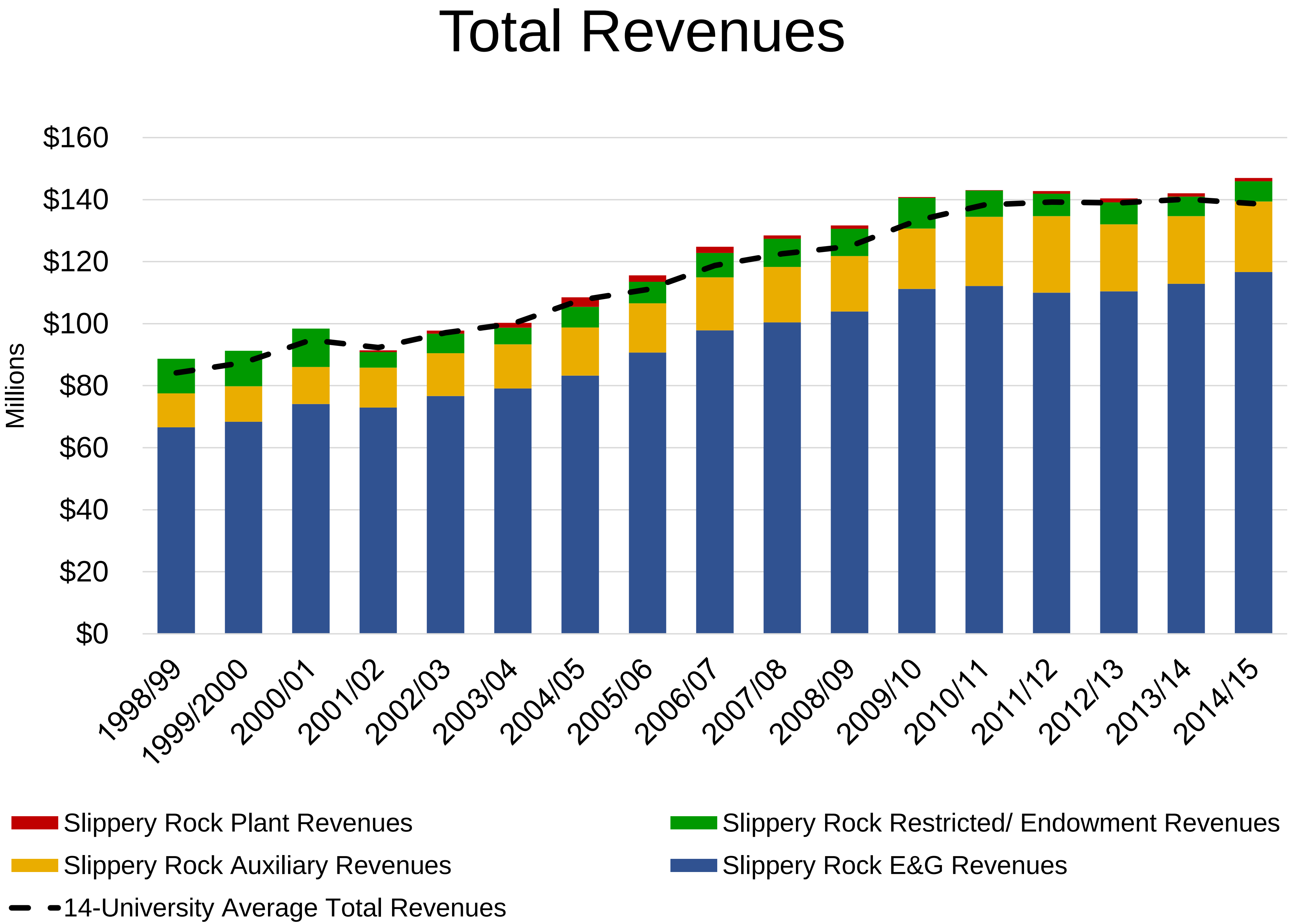
*One-time funds for renewal of existing space

Performance Funding Facilities Indicator*
University Performance Compared to Peers**



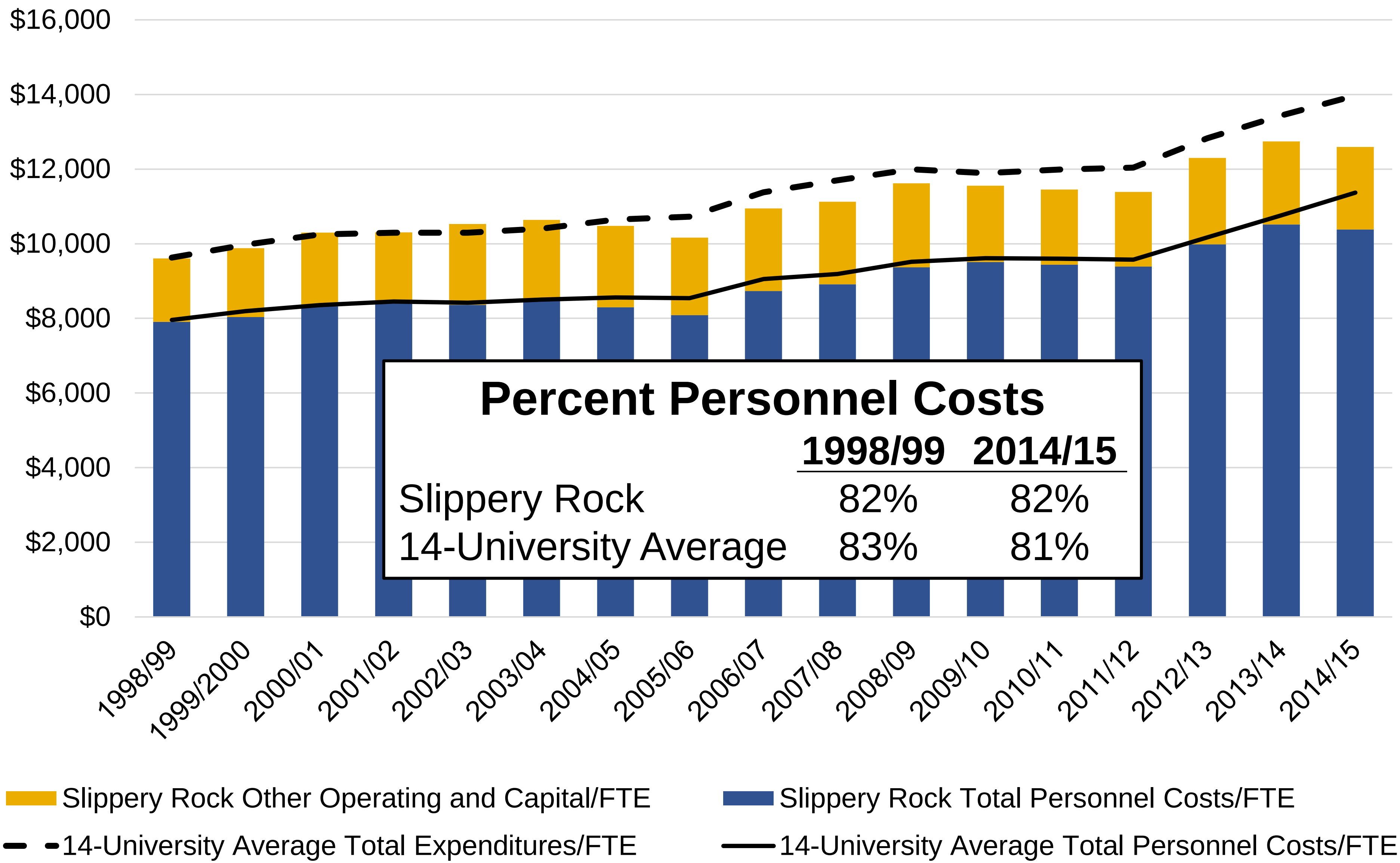
*This composite indicator, developed for the System's performance funding program in conjunction with Sightlines, measures university investment in plant, efficiency of operations, and service to the campus community.

**Peer group: Top 50% of universities with similar physical plant in Sightlines database.

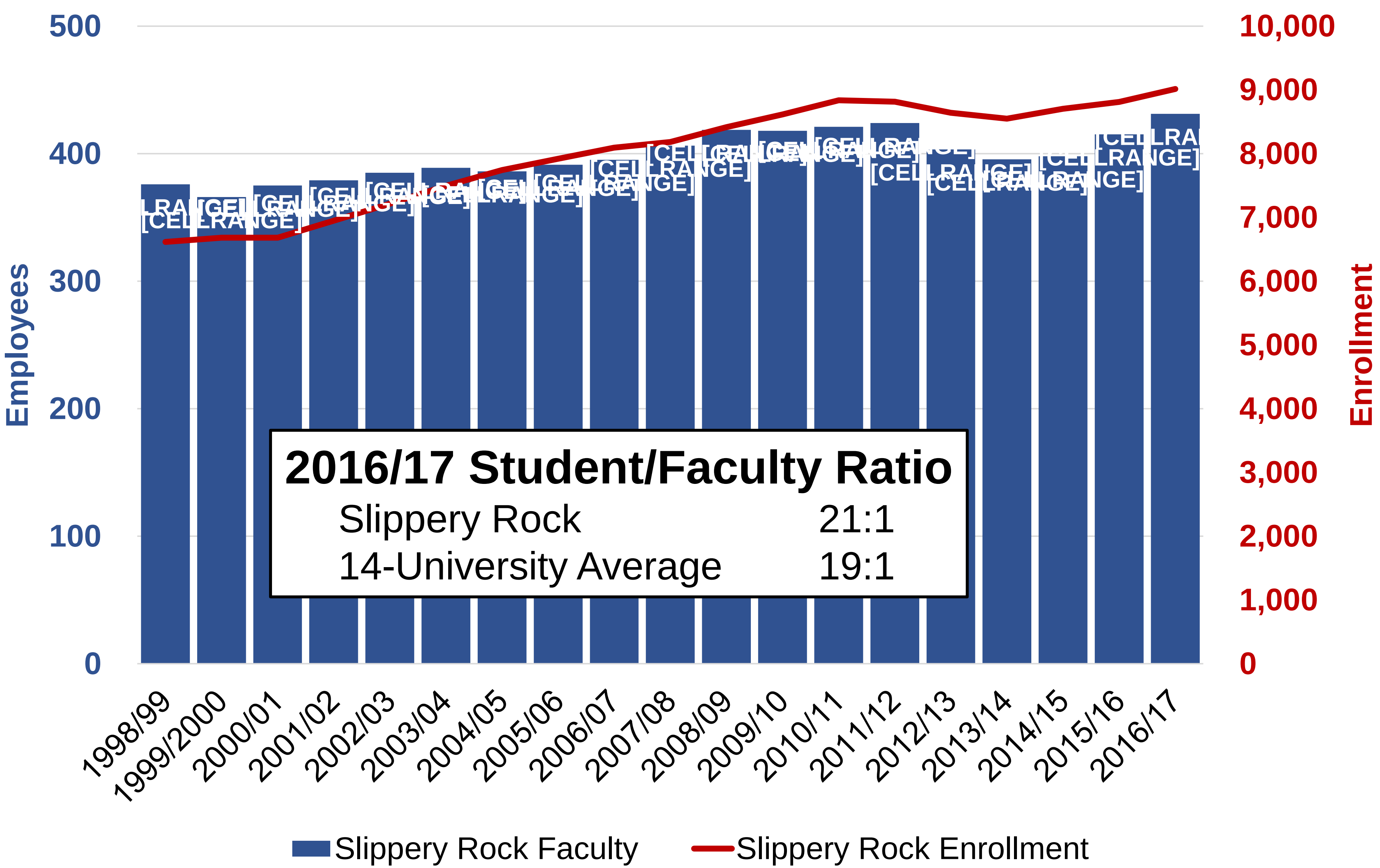


Total Revenues
Millions
$0
$20
$40
$60
$80
$100
$120
$140
$160
1998/99
1999/2000
2000/01
2001/02
2002/03
2003/04
2004/05
2005/06
2006/07
2007/08
2008/09
2009/10
2010/11
2011/12
2012/13
2013/14
2014/15
Slippery Rock Plant Revenues
Slippery Rock Restricted/ Endowment Revenues
Slippery Rock Auxiliary Revenues
Slippery Rock E&G Revenues
14-University Average Total Revenues

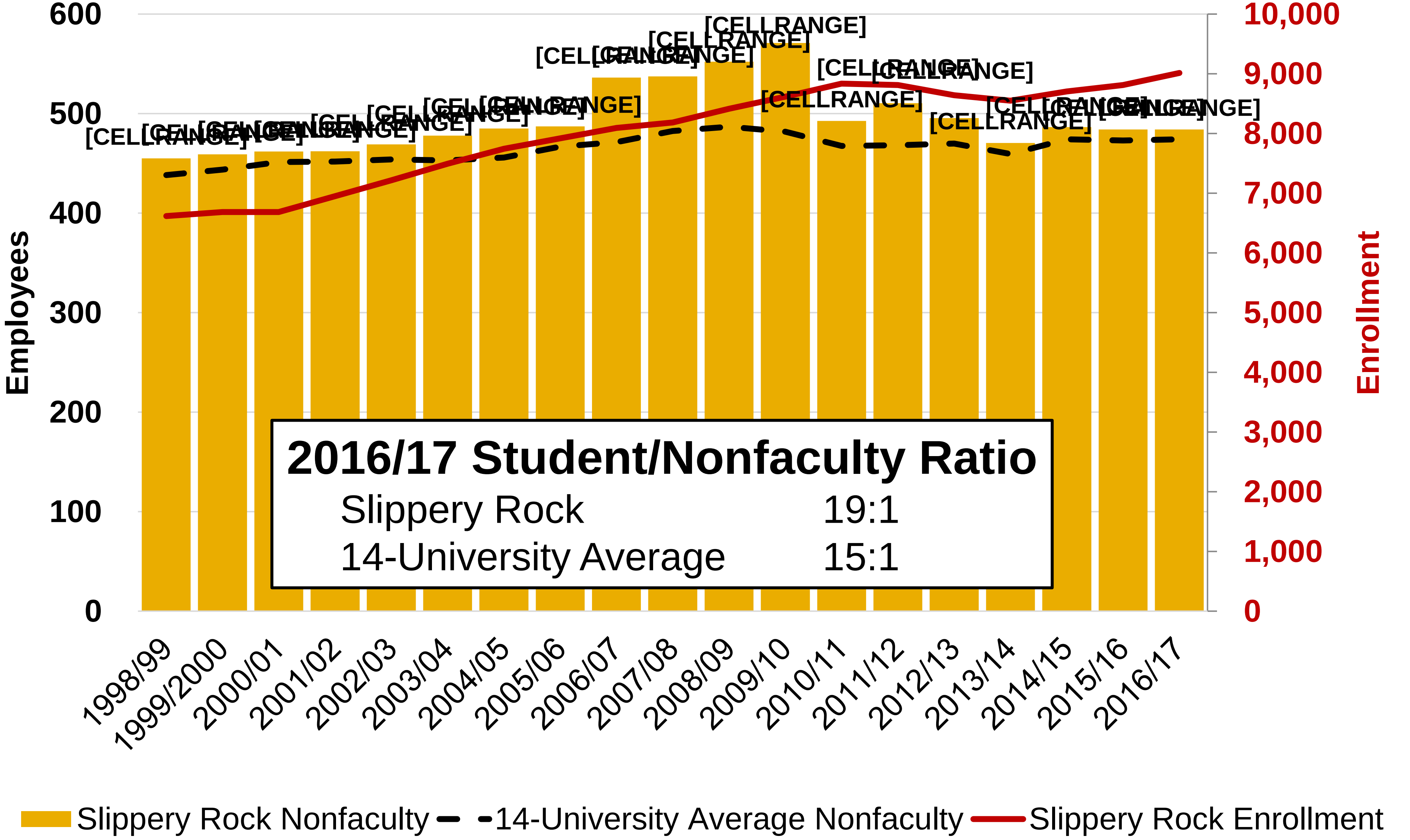
E&G Expenditures Per FTE Student



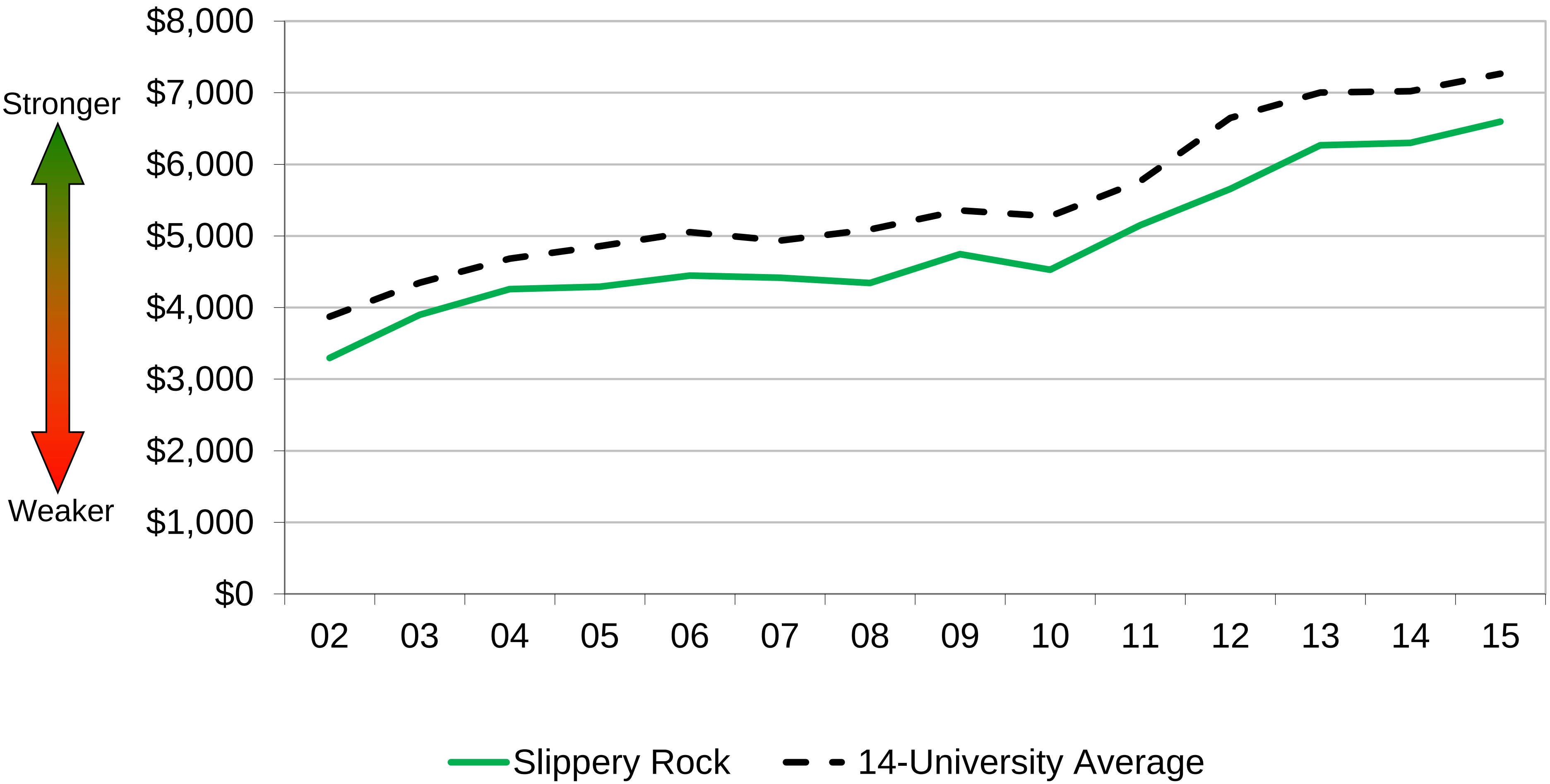
Annualized FTE Faculty and Enrollment



Annualized FTE Nonfaculty and Enrollment



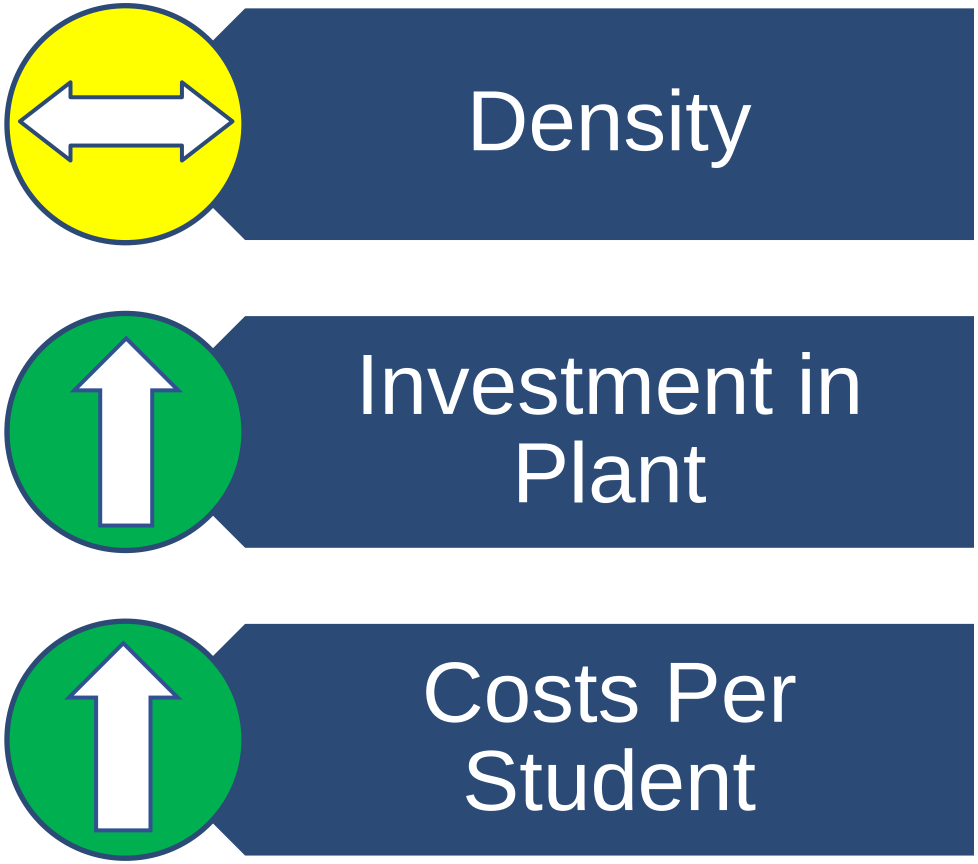
Net Tuition Per FTE Student



Median Aa3 (2014) = $10,240

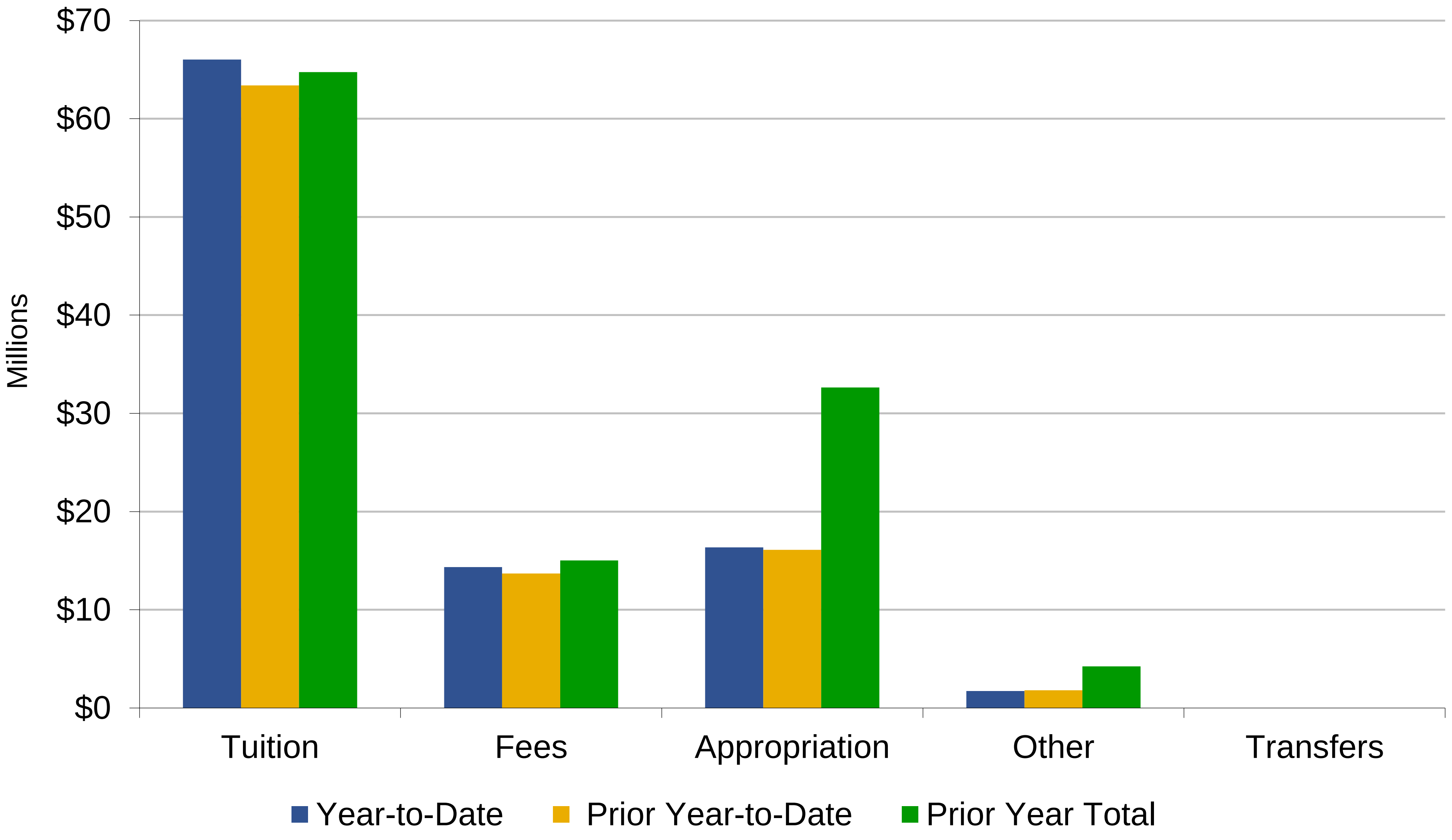
Net tuition = tuition and mandatory fees
less financial aid (primarily Pell and PHEAA grants and loans)

Operating Efficiency



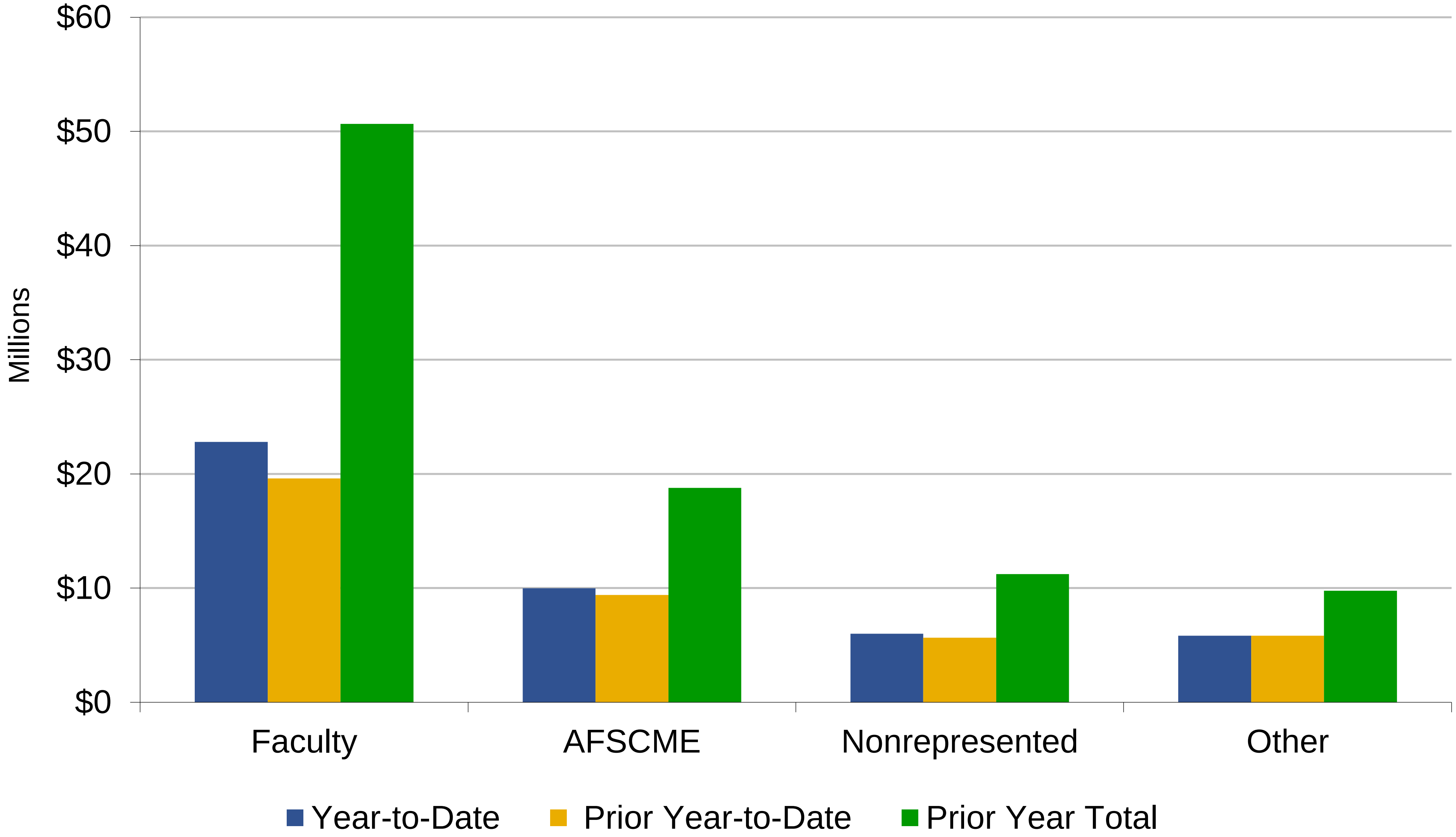
E&G Revenues

As of December 31, 2015



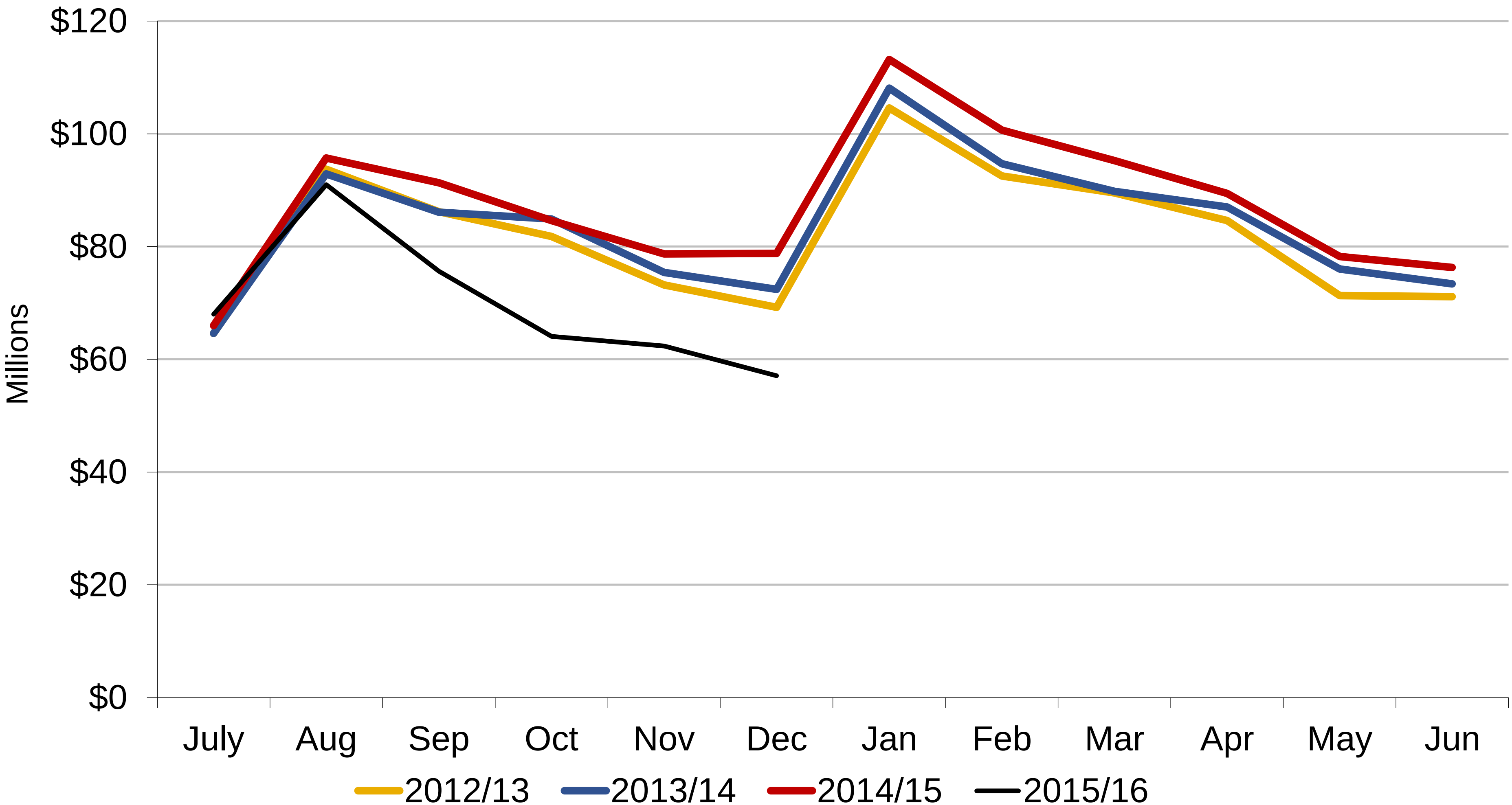
E&G Personnel Expenditures

As of December 31, 2015



Operating Cash*

As of December 31, 2015

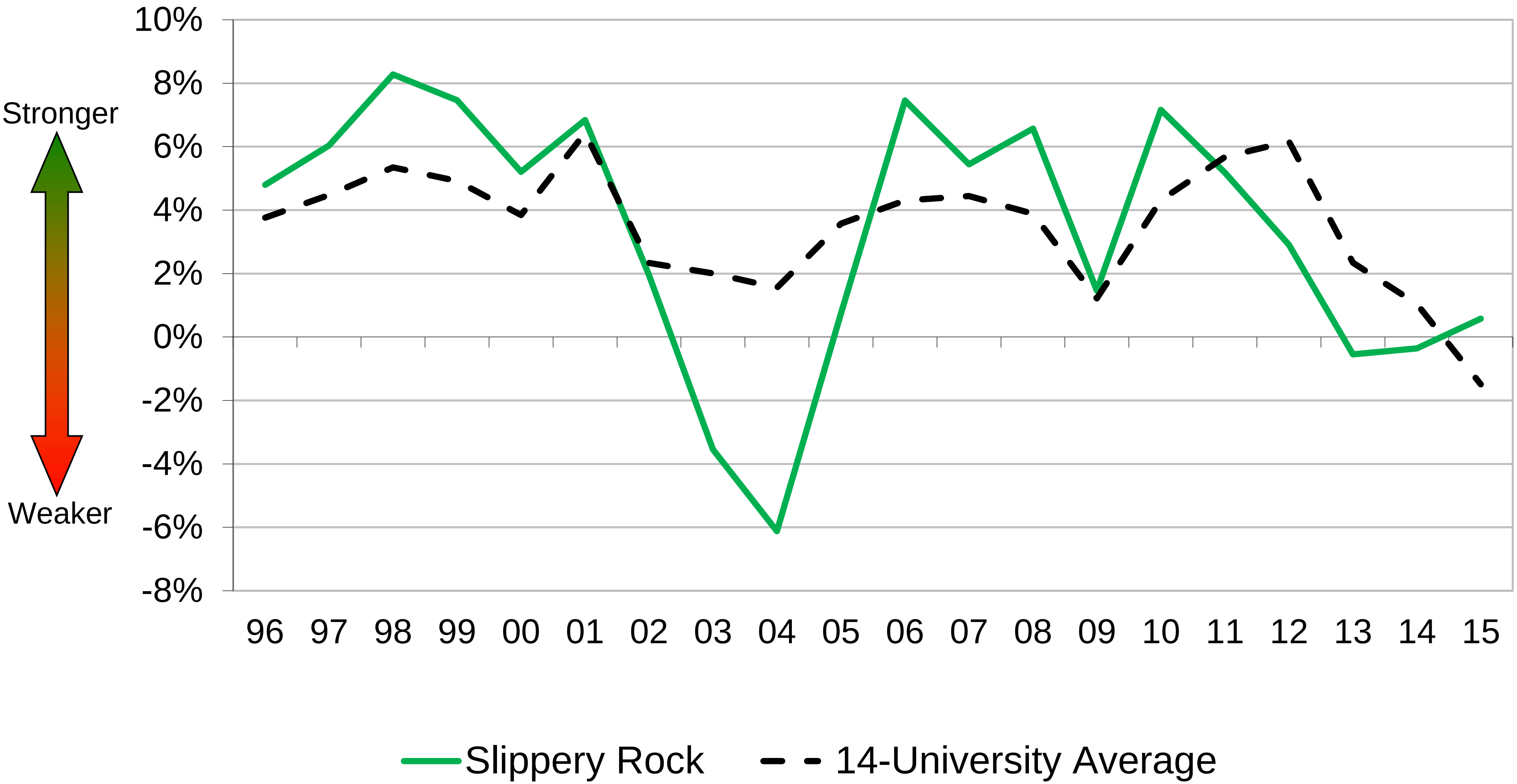


*Month-end cash balances

Financial Performance

- Operating Margin
- Unrestricted Net Assets
- Debt

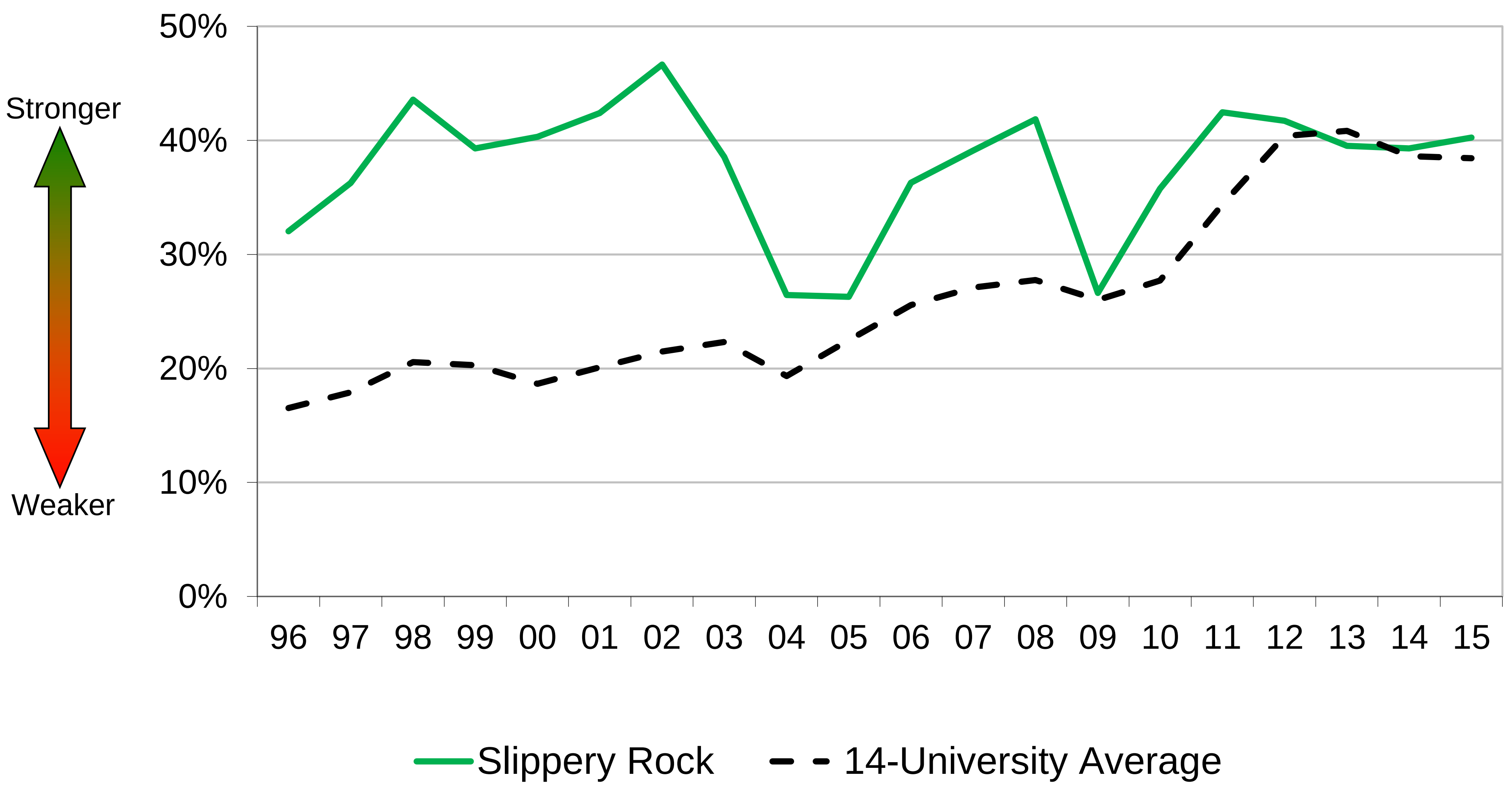
Annual Operating Margin



Median Aa3 (2014) = 1.9%

Annual revenues less expenses divided by total revenues

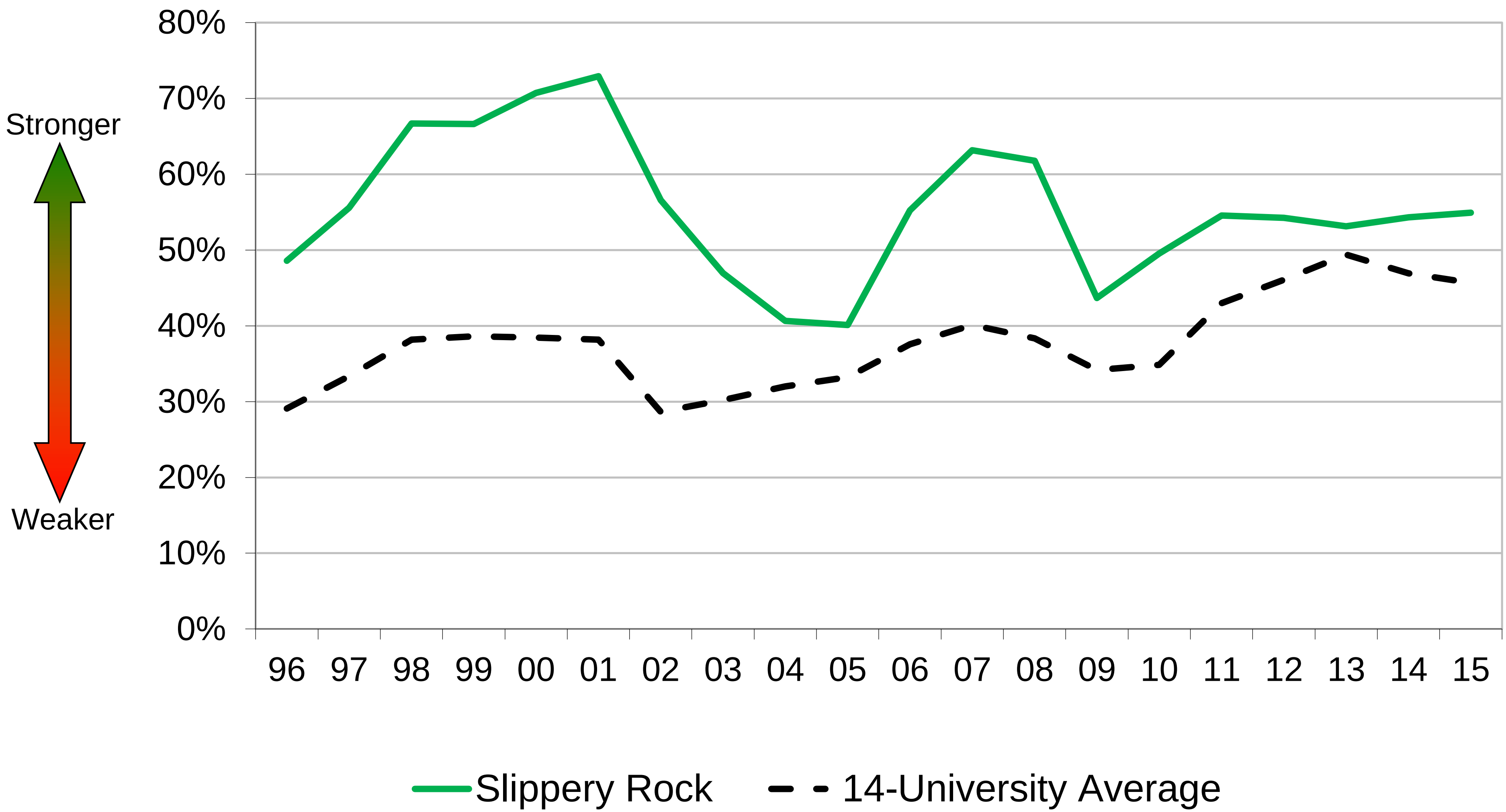
Unrestricted Financial Resources to Operations



Median Aa3 (2014) = 31%

Unrestricted net assets compared to total annual operating budget, including auxiliaries

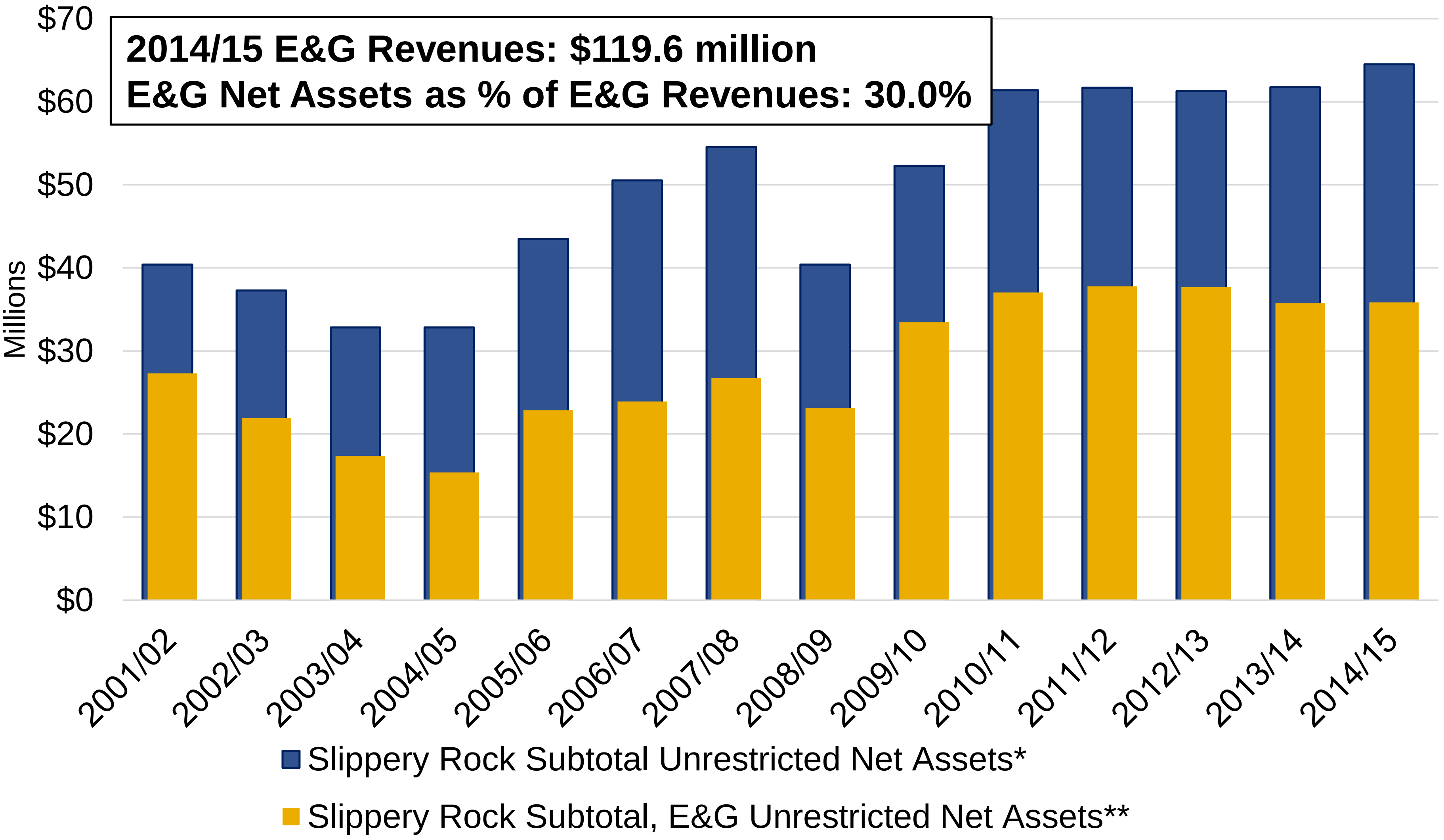
Expendable Financial Resources to Operations



Median Aa3 (2014) = 62%

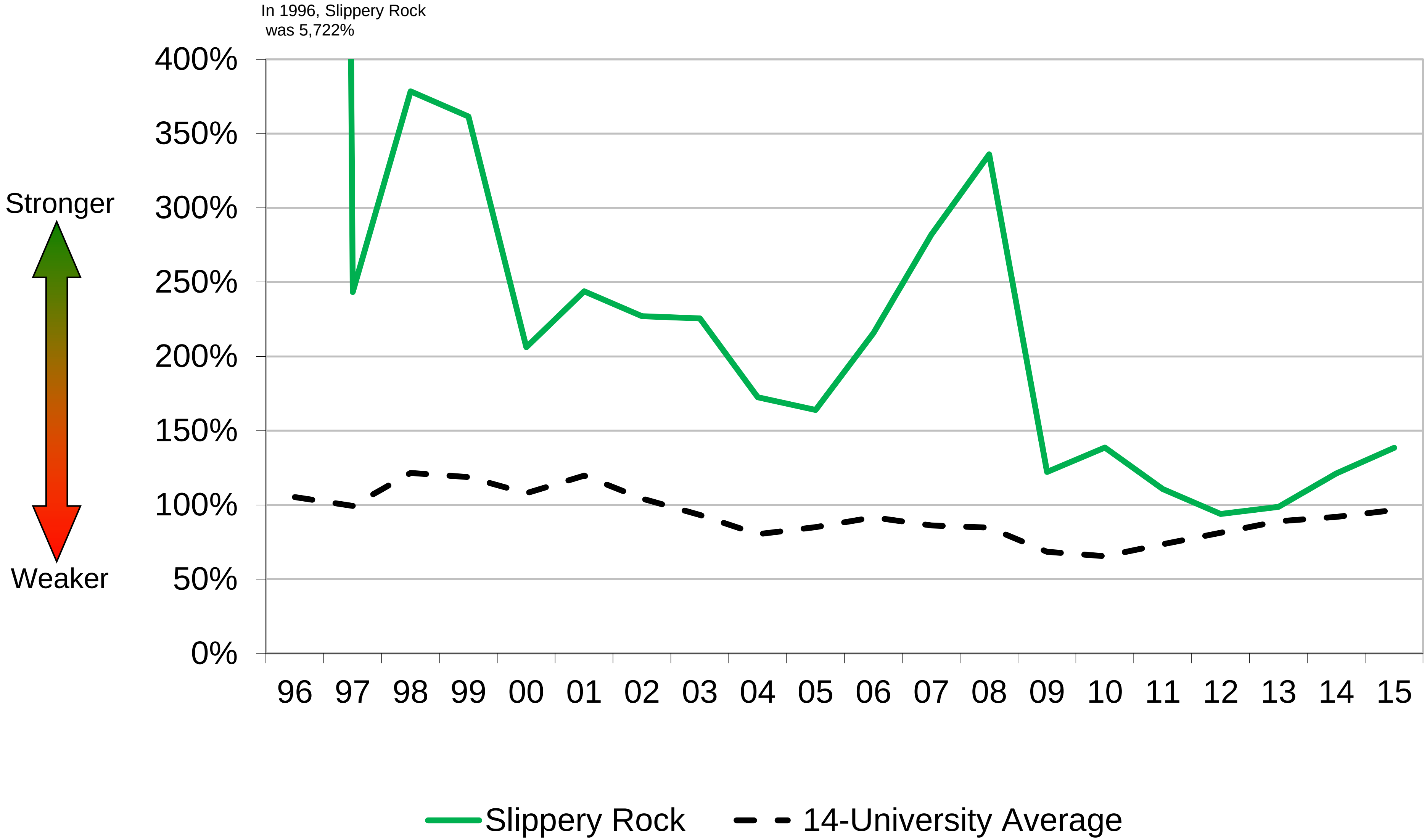
Unrestricted and temporarily restricted net assets compared to total annual operating budget, including auxiliaries and affiliated organizations

Unrestricted Net Assets Without Long-Term Liabilities*



*Total unrestricted net assets excludes postretirement, compensated absence, and pension liabilities
**E&G net assets excludes encumbrances and long-term liabilities

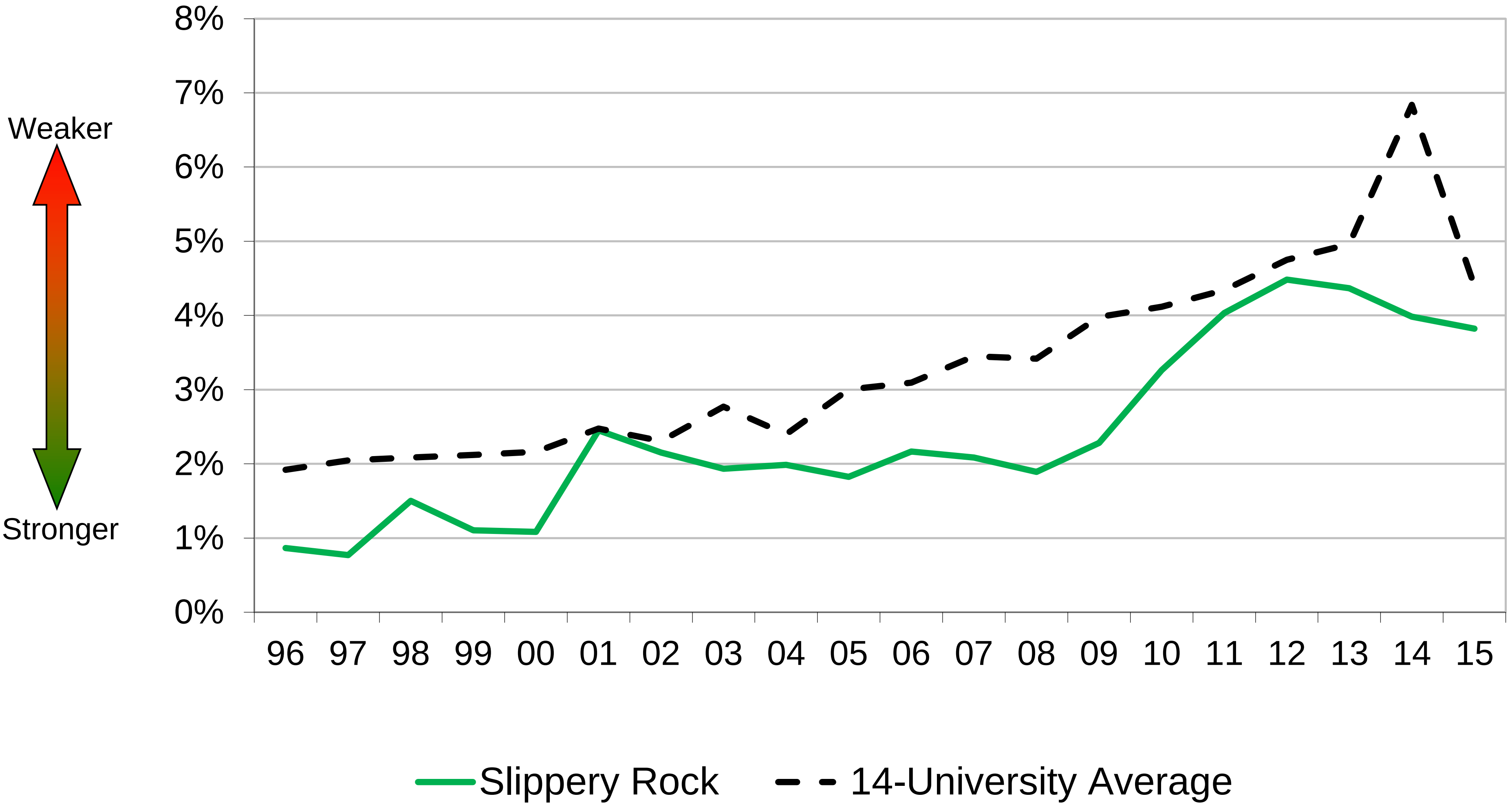
Unrestricted Financial Resources to Direct Debt



Median Aa3 (2014) = 50%

Net assets compared to outstanding debt of university

Actual Debt Service to Operations



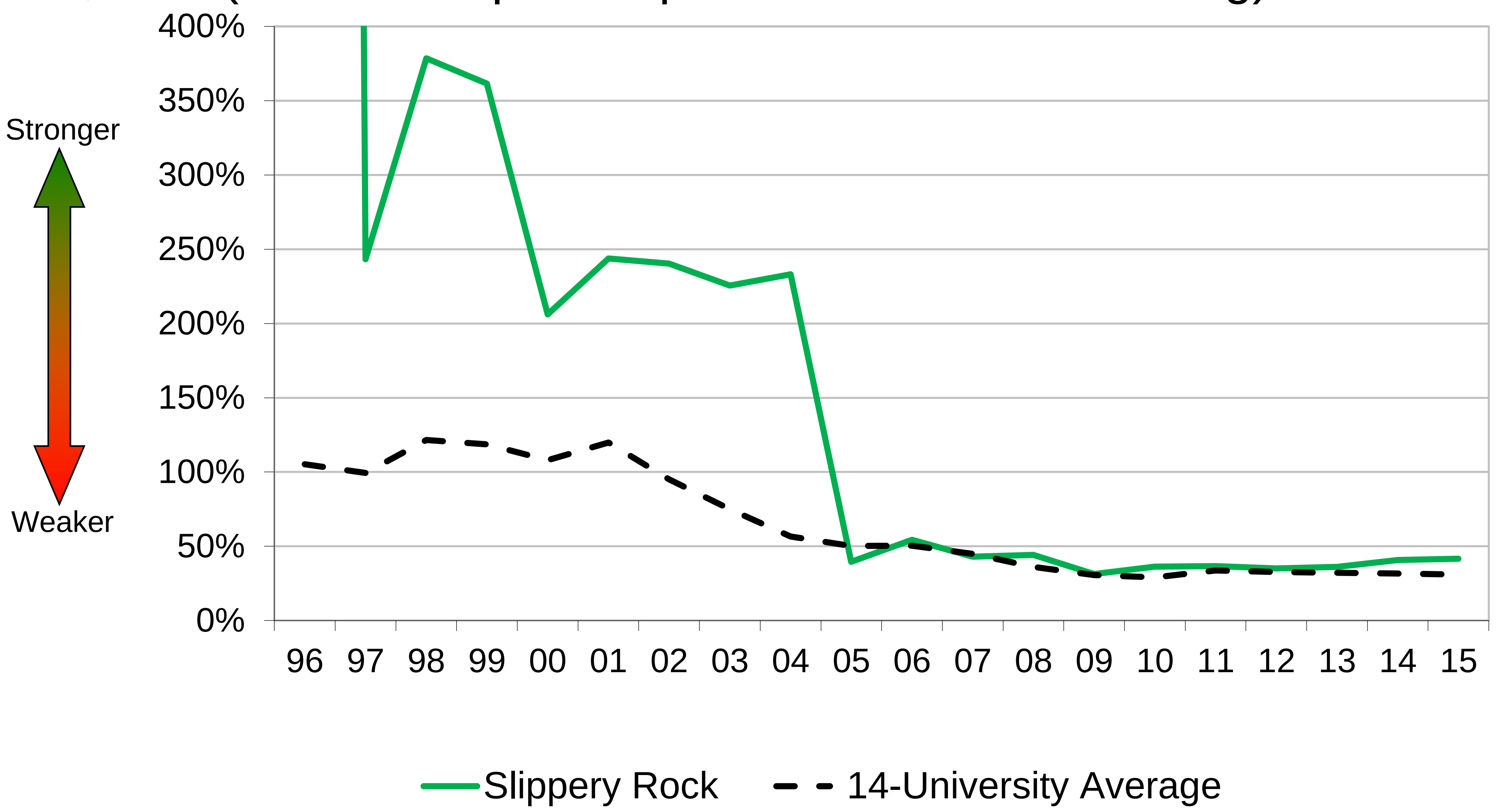
Median Aa3 (2014) = 4.4%

% of total operating budget used for debt service

Unrestricted Financial Resources to Comprehensive Debt

(Reflects impact of privatized student housing)

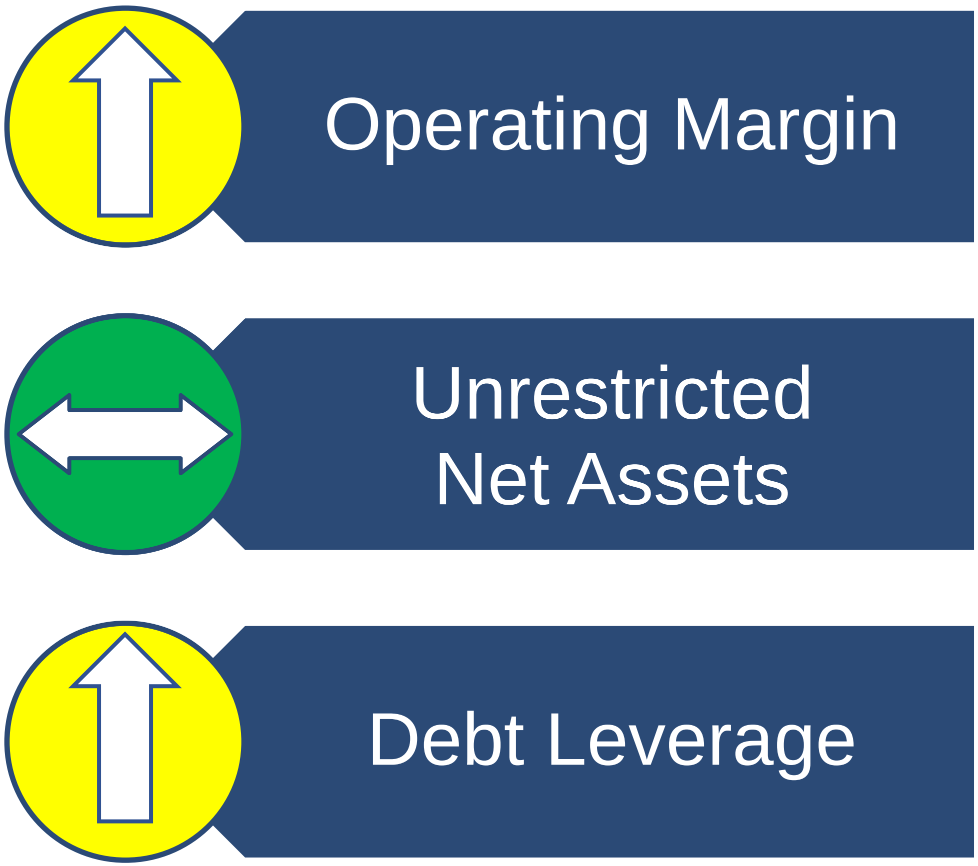
In 1996, Slippery Rock was 5,722%



Median Aa3 (2014) = 50%

Net assets divided by total debt
Includes component's unrestricted net assets

Financial Performance



Management Risk

- Academic Strategic Direction
- Leadership Risk
- Other Observations

Overall Financial Risk Assessment

Market Demand	Operating Efficiency	Financial Performance
Projected Demand	Density	Operating Margin
Brand Strength	Investment in Plant	Unrestricted Net Assets
Matricu-lation	Costs Per Student	Debt Leverage

University Financial Risk

Pennsylvania's
STATE SYSTEM
of Higher Education™

14 universities. Infinite opportunities.

Updated by Paul March 23, 2016

Facilities Planning Meeting

March 24, 2016

Facilities Projects – REQUESTS FOR PLANNING RECEIVED			
Building/Location	**Date Received**	**Requested Action**	**Requested by**
ARC – RPM Room 204:		Please explore the possibility of installing 1-2 ceiling fans or wall fans to assist with air circulation. Controls would be via wall switch. Questions contact Greg Sferra (4525).	G. Sferra
Field Hockey/Lacrosse Building		As per Andy, F&P has indicated this request cannot be accommodated because there is not enough space. **Mary Ann wants a further discussion on the feasibility/planning for this request**	**Mary Ann King**
Campground		We want to receive an estimate to upgrade the SRU Campground electrical system to include conduit, wiring and outlets in the current electrical camp sites. If we are able to afford this update we would like to proceed beginning in May of 2016.	G. Sferra
McKeever (NEW ENTRY)		**Need to look for water system replacement - Check on funding**	
Smith Student Center - Rocky's		**Since the opening of Rocky's there have been concerns regarding the location (in the walls and under the concrete floor) and length of the linesets for the freezer/refrigerator units. The two roof condenser each handle eight refrigerator/freezer units. We have had four units go down; one cold-well serving line and one cooler have had new separate condensers installed adjacent to the units. With multiple units on one condenser, when one goes down it impacts all. There is also a problem with the construction of the bulkhead – no clearance to get into the evaporators for repairs.The current problem appears to be leaks in the line set (not holding freon) , units are not holding temperature, and location of leaks cannot be determined because of inabilityto access the lines or the evaporators.** **As per a meeting held on March 21, 2016, I want to proceed with review and design of a new condenser system with units no longer mounted on the roof. This work needs to be contracted for completion during summer 2016. Work can start following the conclusion of June Orientation – Monday, June 27th.**	

Updated by Paul March 23, 2016

Facilities Planning Meeting
March 24, 2016

Facilities Projects – PLANNING/IN-COMMITTEE							
Project#/ Project Manager	**Building/Location**	**Cost**	**Classification/ Sub-Classification**	**Proposed Funding Sources**	**Succinct Purpose**	**Start**	**Finish**
	Kraus Hall				Project on hold		Executive Summary presented to senior administration for consideration October 1, 2015. Awaiting feedback.
417250 Andy W.	Bailey Library: 1st & 2nd Floors	$ 4,000,000	Renovation	Academic	Project on hold	On Hold	Additional renovations estimated at $4,000,000. Awaiting bond financing
	Maintenance Center 211		Replacement	Funding Authorized			Short Term Solution: Utilize Stores 1 Building, Room 121 now; possibly space in Main Mailroom should they be relocated to future Student Success Center prior to renovation Long Term: Evaluate available space in Maintenance Center for conversion into Conference Room for F&P/EHS Management Use
417242 Allen	Carruth Rizza: Roof Replacement	$ 500,000	Renovation			In Progress	**Clarification provided by F&P that roof itself is not in poor shape, but the skylights are leaking; No indication when or how this issue will be addressed.**
413-52 **Albert**	McKay Education	$ 1,800,000	Renovation				No further activities; waiting for release of funds to DGS by legislature
Greg S.	ARC Addition						**F&P (Andy) has received proposal from IKM to perform a feasibility study alone, or to provide a master plan for Campus Recreation to include renovation to ARC and additional scope.**
Wilson	ATSH Room 232						**F&P (Andy waiting for furniture layout for both rooms 232 and 224 ATSH.**
Wilson	Rock Apartments Building 350 (200 Rock Pride Drive)					On Hold	**No activities in progress**
Albert	*Water Tower	$ 250,000	Maintenance	Funding Authorized		In progress	Water tower maintenance. Project being done to remove insulation and repurpose the tank. Project work to be performed during summer of 2017.
Lueken	Morrow Field House						**As per F&P (Andy & Scott), Paul Leuken and Mark Combine are getting quotes for the work. One is in and another should be provided by next week**
Wilson	Bailey Library						**F&P to install new circuits; drawings in progress for Level 1 permit application to L&I. Academics (Mary Ann) to establish whether charging stations will be provided as part of the project.**

On hold
UPDATE: AWAITING

Updated by Paul March 23, 2016

Facilities Planning Meeting
March 24, 2016

Facilities Projects – AUTHORIZED/IN PROGRESS									
Project#/ Manager	Building/Location	Classification	Fund Center #	Budget	Began Planning Date	Project Start Date	Project Finish Date	Status	Status/Update
417184 J. Allen	Morrow Field House - HVAC Upgrade/ Collaboration Room	Renovation		$ 1,121,948		8/22/2015	10/23/2015	In Progress	Door installation completed. Academics (Mary Ann) coordinating repair replacement of marmoleum flooring with outside vendor. SRU F&P staff performing patch and painting around the new doors.
A. Wilson	Vincent Science 305	Renovation		$ 56,304	5/15/2016		8/15/2016	In Progress	**Contracts will issue a service purchase contract for this work.**
417135 A. Wilson	Miller/East West Gym	Renovation		$ 22,900,000	9/1/2014		1/1/2018	In Progress	F&P is working on updating the capital planning submisssion.
417120 A. Wilson	Student Services & Success Center	Renovation		$ 16,765,151	6/1/2015		9/1/2017	In Progress	Decision from senior administration pending on use of square footage vacated by decision to not relocate various offices from Student Center. Consider basic renovation as swing space for temporary space to move offices into during construction in other campus buildings.
Andy W.	Spotts World Culture	Renovation		$ 8,500,000	10/1/2015		1/1/2017	In Progress	F&P personnel to consult strucvtural engineer for input on making exploratory penetrations for their use once weather breaks - May or June, 2016.
J. Allen	Carruth Rizza: Structural evaluation	Renovation			11/1/2015		6/1/2016	In Progress	F&P requesed guidance from structural engineer on specific locations of roof penetrations for evaluation. Observation penetrations to be made 4/16
417267 A. Wilson	Residence Hall A -F	Renovation		$ 200,000	6/1/2015		8/15/2016	In Progress	Submittal process in progress; Foundation has approved funding for this work
714261 Todd H.	Harrisville Building NO LONGER HARMER	Renovation		$ 2,400,000	6/1/2015		5/1/2015	On Schedule	Delivery of two HVAC units delayed a few days from target. No impact to prject schedule. Substantial completion date still April 11, 2016.
417211 J. Allen	Maltby Roof	Repair		$ 298,102	12/4/2015		11/15/2015	In Progress	Scheduling of cupola replacement to occur in May or June when weather breaks
417263 T. Horner	ARC Locker Rooms/Restrooms	Renovation		$ 110,000	5/15/2016		8/15/2016	On Schedule	Contracts reviewing bids
J. Allen	Fitness Station on Thompson Field	Renovation		$ 15,500				In progress	Grossman Concrete is to provide F&P with cost for installation of handicap parking and accessible route for fitness center by April 5, 2016. Work to take place in June, 2016.
A. Wilson	Weisenfluh Clean Steam Generator				16-May		8/16/2015	In progress	No longer a clean steam generator installation. No further information provided as to scope (Andy and Deb Pincek are collaborating on this).
	Rhoades Interior Remodeling 2nd Floor - Phase 1 Summer 2017 3rd Floor- Phase 2 - Summer 2016	Renovation						In progress	Contracts submitted to contractors for signature, and will then be submitted to legal for review and approval. Once approval received, a coordination meeting to address demolition and asbestos abatement will occur.
	Rhoades - Front entrance rework	Renovation						In progress	Contracts reviewing bids
T. Horner	Steam tunnel access - North to Rizza	Renovation		$ 225,000			1/1/2017	In Progress	Contracts reviewing bids

Updated by Paul March 23, 2016

Facilities Planning Meeting

March 24, 2016

Facilities Projects – AUTHORIZED/IN PROGRESS									
Project#/ Manager	Building/Location	Classification	Fund Center #	Budget	Began Planning Date	Project Start Date	Project Finish Date	Status	Status/Update
T. Horner	* MFH Basketball Court	Renovation		$ 60,000				In Progress	Bids are now due March 24, 2016.
T. Horner	* NKT Track	Replacement		$ 420,000				In progress	Bids are now due March 24, 2016.
	MFH Roof (South)	Replacement		$150,000 - $175,000				In Progress	Contracts in for legal review; estimated start date June 15, 2016.
J. Anderson	*Boiler Plant Surge Tank	Replacement		$ 85,000 $110,000			Summer 2016	In Progress	Bids are now due March 24, 2016.
	ARC Pool							In progress	Design/engineering firm providing additional details to ARC personnel for consideration.
* As of this date, given the process required to facilitate a project of this scope and magnitude, estimated date of completion is January, 2017. If this work is required to be completed over the summer break, it will take place during									
Information Needed									

Project Classifications Key	Statuses/Updates Key
Demolition	Feasibility Study
Construction	Design
Renovation	Bidding
Remodeling	Contracts
	Legal Review
	Work In Progress
	Completed

Updated by Paul March 23, 2016

Facilities Planning Meeting
March 24, 2016

Facilities Projects – AUTHORIZED/IN HOUSE/IN PROGRESS							
Project #	**Building/ Location**	**Classification**	**Cost**	**Start**	**Finish**	**Status**	**Status/Update**
708159 J. Anderso	Maltby 2nd Floor Doors	Renovation	$ 7,500		12/31/2015	Not Started	Doors were never ordered. Order has now been placed. With lead time and delivery, installation now anticipated May, 2016. Doors have been ordered – one door scheduled to be delivered by February 5, 2016. The other door will not be delivered for 4-6 weeks.
	Equestrian Center Lift Support						F&P has received information from manufacturer and installer. Equipment will be purchased and installed. F&P in process of submitting a Level 1 permit to L&I.
	Former University Union	Mailroom Relocation					The mailroom to be relocated to the former Bookstore space on the 1st floor. Permit application in progress by F&P. Project completion planned on or about April 15, 2016. HVAC issues addressed –application for Level 1 permit submitted to L&I. Looking at a target project schedule depending on when permit is received of April 15 – May 15, 2016.
	McKay 007	Install Permanent Sink					Installation of a permanent sink in the Preschool Classroom in 007 McKay on the wall adjacent to the Men's bathroom. Currently we are utilizing a portable sink on that side of the classroom. Our state licensing and accrediting bodies have recommended a permanent structure to allow for a more efficient and sanitary process for student and staff hand washing and general cleaning and maintenance. A similar permanent sink was installed in our classroom in 124 McKay last summer. Requested by Wendy Leitera.

Updated by Paul March 23, 2016

Facilities Planning Meeting

March 24, 2016

Asbestos Projects

WO#	Building/Location	Requested By	Status	Project Schedule	Comments
629198	Morrow Field House Duct	Mary Ann King		12/10/15 - 1/15/2016	Confirmed work to take place over summer 2016; coordinate with Athletics Schedule Abatement scheduled for June 13 – July 8, 2016.
	Eisenberg 222	Mary Ann King	ON HOLD	5-15-16 to 5-31-16	renovate space for three new offices. Mary Ann submitted work order to EHS January 25, 2016. Abatement work scheduled to begin following graduation, approx. 5/15/16 & completed by 6/1/16 DECISION HASN'T BEEN MADE WHETHER TO FUND THIS PROJECT
Maltby	room 006	Yes	Completed	1/25/16 - 2/8/16	Removing from list next week
Maltby	Rooms 001, 001A	Yes	Work in Progress	001 - 2/8/16 - 3-1/16 001A - 3/4/16 - 4/15/16	Linda to get date to remove asbestos - moving stuff to 004 MaryAnn to do a work order. Extensive containment needed; simulation done as part of abatement in Room 006. Planned for January – March 2016. Work to begin upon completion of abatement in Room 006. Work to begin February 28, 2016
Rhoads Hall	3rd Floor Full Abatement	Yes		5/10/16 - 6/15/16	Planning meeting held with Housing (Dan Brown) Additional coordination meeting will be held after January to establish logistics of sequencing work
Student Services and Success Center	Full Building Abatement	Yes		12/13/16 - 1/21/17	Tentatively planned for abatement to begin over Winter Break 2017 but with projected schedule not starting until summer 2019, abatement may be postponed until winter break 2018.
Rhoads Hall	2nd Floor Full Abatement	Yes		5/11/17 - 8/16/17	Planned for summer 2017 Coordination meeting to be held once contractor has been selected. Work to begin following spring semester move out.

Updated by Paul March 23, 2016

Facilities Planning Meeting

March 24, 2016

Asbestos Projects					
WO#	**Building/Location**	**Requested By**	**Status**	**Project Schedule**	**Comments**
Spotts World culture	Full Building Abatement	Paul	In Progress & Pending	1/5/16 to 5/30/16	Drawings of locations where abatement is needed. Work to begin immediately &and extend through May 2016. (unless swing space can be identified) Completed Rooms: 200, 201, 206 & 304. In Progress & Pending: 209 (A-C), 300, 306, 309, 212A, 212B and 214. Abatement after spring semester: Rooms 007, 008, Suite 212 (mastic only), 215,216, 217, 219, Suite 312 (D – Q) Window glazing resampled to confirm ACM presence; if present may present labor issue Lab reanalysis still indicates window glazing must be handled as ACM. Put into contract for outside work due to tight Spotts renovation schedule and existing ACM required to be performed by in-house Asbestos Team. AFSCME notified. Abatement Completed in Following Rooms: 200, 201, 206, 209 (A-C), 300, 304, 306, 309 and pipe chases behind restrooms. Rooms 007 & 008 are in progress. The remaining areas in Spotts needing abatement are: Rooms Suite 112 (A-G) Mastic Only, 212 (A-B), 214, 215, 216, 217, 219, Suite 312 (D-Q). Awaiting direction from Academic Affairs for completing abatement work. EHS provided F&P contact language identifying specifications for handling of ACM material around windows. Abatement activity in progress in bathroom chases. **EHS provided F&P contract language identifying specifications for handling of ACM material around windows. Notification of contracting window abatement out has been sent to AFSCME has been sent. Abatement activity in progress in bathroom chases completed. Rooms 215 and 217 being emptied – abatement planned to commence in these areas week of March 7, 2016.**
Miller/East West Gym	Various Areas	Yes	Pending	5/1/16 to 12/31/16	Tentatively planned for abatement to begin during fall 2016
North Hall Old Kitchen	Room 173 and 129C				Planned for temporary storage for housing DEP Notification sent out; work to begin week of January 25, 2016 Project re-scheduled to begin during spring break (week of March 7, 2016). Project completion set for April 1, 2016. Building Occupant Informational Session in planning 2-18-16 Update: Project re-scheduled to begin during spring break (week of March 7, 2016). Project completion set for April 1, 2016 Project re-scheduled to begin during spring break (week of March 7, 2016). Project completion set for April 1, 2016. **IN PROGRESS**
Bailey Library stairs					Bids received on replacement flooring 2-22-16. Work is scheduled for June 1 – July 15, 2016. Flooring bid awarded material to be shipped and received on or about approximately March 25, 2016. Work is scheduled for June 1 – July 15, 2016.

Updated by Paul March 23, 2016

Facilities Planning Meeting

March 24, 2016

Fire & Life Safety System Projects					
Date Initiated	**Building/Location**	**Requested By**	**Cost**	**Project Schedule**	**Status/Update**
	Spotts World Culture 001 IT Room	Novak, EHS	Quoting	February, 2016	Professional for A/C work and Simplex have submitted schematics for work. Coordination planned in early January, 2016. Estimated completion is February-March, 2016 Bids due 1/29/16. Cooling unit replacement work is out for bid. Simplex is ordering materials and equipment will be on-site sometime in April, 2016. Project now scheduled for completion in May, 2016. Cooling equipment and suppression system ordered. Project work should begin sometime mid-March, 2016, and be completed by the end of April, 2016.
	Rock Apartments			May-August 2016	Work scheduled to begin upon student move out in May, 2016. Project completion set for August 5, 2016. Contract received by Simplex. Permit application in progress to L&I for work. Project start date targeted for May 9, 2016.

*Mike Simmons upgrade security systems to connect buildings. Get info from Mark C.

Facilities Planning Meeting

Updated by Paul March 23, 2016

March 24, 2016

Security System Projects					
Date Initiated	Building/Location	Requested By	Cost	Project Schedule	Status/Update
	Swipe Cards on Exterior Doors to Academic Buildings			On hold	Meeting held with EHS, Police & Facilities to plan next steps, make recommendations F&P, University Police to seek direction from Senior Administration

Updated by Paul March 23, 2016

Facilities Planning Meeting

March 24, 2016

IT										
Project	Building/ Location	Classification	Budget	SRU PM/Team	Phase	Start	Finish	Status	Status/ Update	Buildings/Services Affected
Router Upgrades	Maltby					May-16	Sep-16			Maltby - PRIMARY SERVER FARM & core to Alumni, BSB, East Gym, Lowry, Maltby, McKay, Miller, North, Old Main, President's Res, Rizza, West Gym All equipment has been ordered including router upgrades, edge switch upgrades and Maltby server farm switch.
Router Upgrades	Vincent					May-16	Sep-16			Vincent - SECONDARY INTERNET CONNECTION & core to Art 1, Art 2, Art 3, Boozel, Heating Plant, Patterson, Rhoads Admin, Sculpture Studio, Smith Center, Vincent Science, Weisenfluh IT is fine with cooling; concern exists about the possibility of needing UPS installation for this work.
Router Upgrades	Watson					May-16	Sep-16			Watson Hall - RESNET CORE & core to Abersold, Bailey, Baseball, Watson Admin, Eisenburg, NK Thompson, Gail Rose Lodge, Equestrian Center, Life Long Learning 2, McKoskey Center, Ski Lodge, Swope, University Union, Women's Lacrosse, Women's Softball
UPS Upgrades for Routers	Spotts, Maltby, Vincent, Watson	Replacement	Bond	Passauer		5/9/2016	5/30/2016			a) Spotts, Maltby, Vincent, Watson
Edge Switch Upgrades		Replacement	Bond	Passauer		5/9/2016	5/30/2016			Alumni, Lowry, Miller MDF & IDF, Boozel MDF and IDF, Art 1, Heating Plant, Art 2, Art 3, Sculpture Studio, Weisenfluh MDF and IDF, Ski Lodge, Life Long Learning 2, Lacrosse, McCoskey, Gail Rose, Softball, Baseball MDF & IDF, Equestrian, Eisenburg IDF, Auto Paint, Gault, Morrow IDF2, President's Res, Vincent House, Lifelong Learning
Maltby Server Farm Switch Replacement	Maltby	Replacement	Bond	Passauer		5/9/2016	8/15/2016			Impacts campus (this should happen without notice to campus.) Andy are there additional A/C equipment - Linda is checking.
**Linda out for a month Henry, will be attending*										

Enrollment Model Projections - SAMPLE

ASSUMPTIONS AND INPUTS

Recruitment Assumptions						
New US FR base		1525				
New US GR base		440				
	Actual	Target				
	201509	201609	201709	201809	201909	202009
New FR	1508	1606	1625	1640	1658	1667
New TR	563	570	580	590	600	610
New GR	456	531	562	576	582	586
New FR IP	16	26	35	39	42	42
New TR IP	12	25	25	35	46	50
New PB IP	0	3	3	3	3	3
New ND IP	23	27	30	32	32	32
New GR IP	0	0	5	10	10	10
		New Enrollments from New Programs				
	Undergrad	81	100	115	133	142
	Grad	91	122	136	142	146

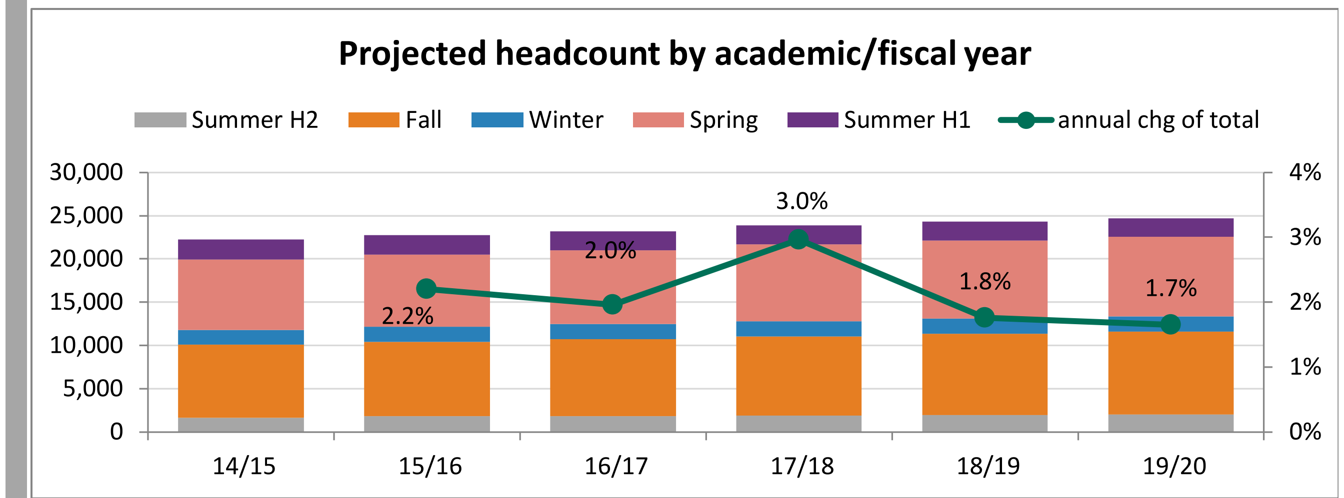
Retention Assumptions						
	Actual	Target				
	201509	201609	201709	201809	201909	202009
FR 1-2 Ret	83.3%	82.0%	82.2%	82.4%	82.6%	82.8%
FR 2-3 Ret	74.2%	74.5%	74.7%	74.9%	75.1%	75.3%
FR 3-4 Ret	68.3%	69.7%	69.9%	70.1%	70.3%	70.5%
FR 4-5 Ret	17.3%	18.0%	18.2%	18.4%	18.6%	18.8%
FT TR 1-2 Ret	76.7%	74.2%	74.2%	74.2%	74.2%	74.2%
FT TR 2-3 Ret	50.3%	53.5%	53.5%	53.5%	53.5%	53.5%
FT TR 3-4	18.1%	20.1%	20.1%	20.1%	20.1%	20.1%
PT TR 1-2 Ret	60.9%	60.9%	60.9%	60.9%	60.9%	60.9%
PT TR 2-3 Ret	43.2%	43.2%	43.2%	43.2%	43.2%	43.2%
PT TR 3-4	21.2%	21.2%	21.2%	21.2%	21.2%	21.2%
		Continuing Enrollments from New Programs				
	Undergrad	0	68	144	232	305
	Grad	133	245	268	283	289

Credit Loads and Current Time Statuses						
	201309	201209		FT	PT	
FR/TR FT	15.3	15.4	FR	99.9%	0.1%	Avg from 200809 through 201509, including spring semesters
FR/TR PT	5.6	6.0	TR	87.6%	12.4%	
PB FT	14.8	13.5	GR	43.5%	56.5%	
PB PT	5.3	5.3	PB	30.6%	69.4%	
ND FT	13.7	15.0	ND	10.2%	89.8%	
ND PT	3.1	3.5	Seniors	86.1%	13.9%	Avg: 201109 - 201309
G FT	13.4	12.3				
G PT	4.7	4.6				

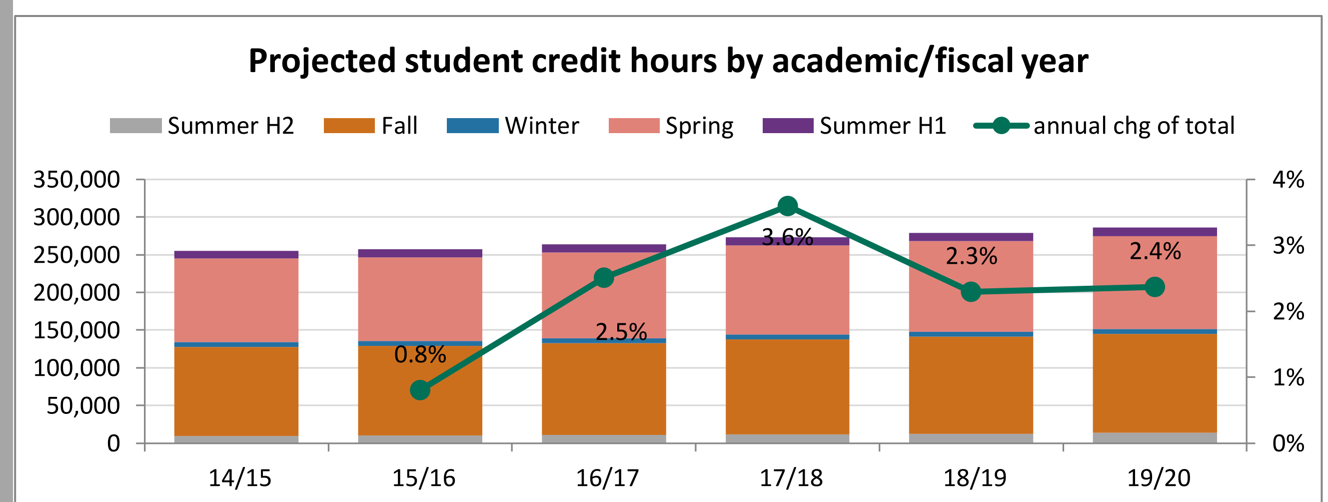
Spring enrollment ratios (change on Spring Projections tab)			
	FT	PT	All
U headcount	0.93	1.04	
G headcount	0.99	1.13	
U SCH			0.93
G SCH			1.02

Winter growth, year-over-year					
	201512	201612	201712	201812	201912
U SCH	2.5%	1.5%	0.5%	0.0%	0.0%
G SCH	2.5%	1.5%	0.5%	0.0%	0.0%

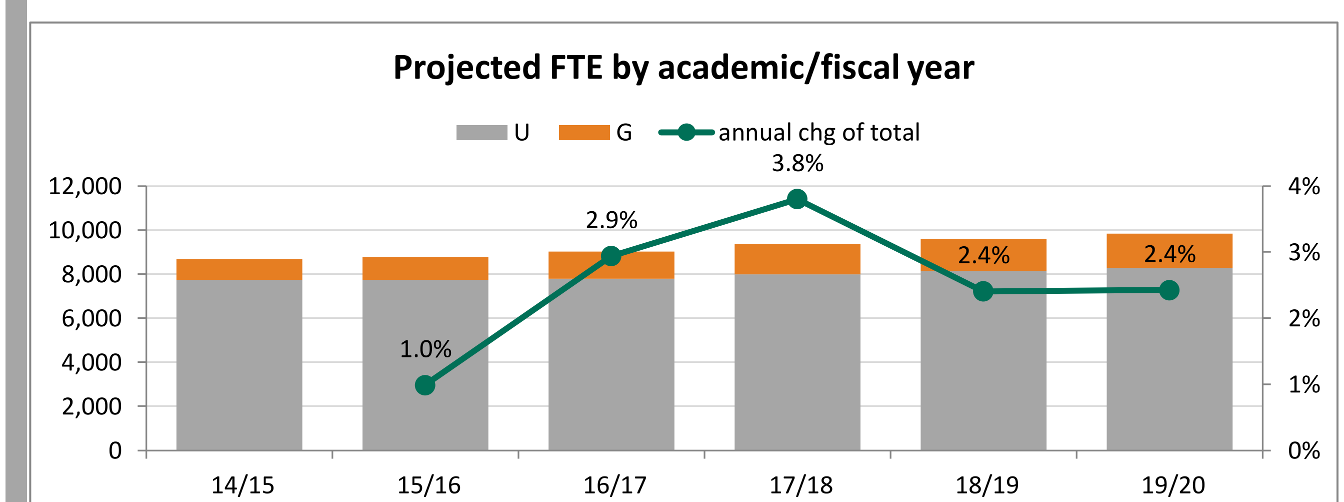
PROJECTIONS (numbers in green are projected)



Headcount	14/15	15/16	16/17	17/18	18/19	19/20
Summer H2	1,610	1,799	1,839	1,862	1,962	2,023
Fall	8,495	8,628	8,858	9,189	9,368	9,551
Winter	1,685	1,727	1,753	1,762	1,762	1,762
Spring	8,120	8,333	8,535	8,860	9,032	9,204
Summer H1	2,340	2,253	2,201	2,200	2,168	2,154
Total	22,250	22,741	23,186	23,873	24,293	24,694
annual chg of total		2.2%	2.0%	3.0%	1.8%	1.7%



Credit Hours	14/15	15/16	16/17	17/18	18/19	19/20
Summer H2	9,471	10,292	11,009	11,656	12,599	13,576
Fall	118,172	118,674	121,522	125,860	128,443	131,158
Winter	6,503	6,666	6,766	6,799	6,799	6,799
Spring	110,526	111,070	113,701	117,828	120,257	122,777
Summer H1	10,258	10,268	10,417	10,736	11,036	11,430
Total	254,930	256,970	263,414	272,879	279,134	285,741
annual chg of total		0.8%	2.5%	3.6%	2.3%	2.4%



FTE	14/15	15/16	16/17	17/18	18/19	19/20
U	7,740	7,737	7779	7984	8123	8293
G	947	1036	1251	1390	1476	1539
Total	8,687	8,773	9,031	9,374	9,600	9,833
annual chg of total		1.0%	2.9%	3.8%	2.4%	2.4%

Slippery Rock University Budget Process Overview - SAMPLE

1 - System Accountability Plan / SRU Action Plan

Produces the University Vision, Goals & Initiatives

2 - Deans/Managers/Vice Presidents

Will develop DIVISIONAL Goals & Initiatives which tie in to the University Goals and Performance Indicators as identified in the System Accountability Plan and share the results with each budget unit in their respective division.

3 - Budget Units (Department Chair / Organization Supervisor)

Will develop DEPARTMENTAL Goals & Initiatives which tie in to the DIVISIONAL Goals & Initiatives which will be used as input to the Phase-1 hearings. Department goals should be traceable to the System Accountability Plan or the university's strategic plan.

4 - Divisional Hearings

Deans/Managers with their respective Vice Presidents will meet with each budget unit to discuss the DEPARTMENTAL Goals & Initiatives request.

5 - Deans/Managers with their respective Vice President

Deans/Managers will assemble a summary request of all budget units. The same budget unit forms will be used to bring Divisional requests to University Budget Personnel.

6 - Vice President - Hearings

Consist of a dialogue between the VPs/Deans/Managers and University Budget Personnel that identifies institutional priorities; clarifies the goals and initiatives and refines the recommendations that will be forwarded to the President.

Budget Process Timeline
SRU Fiscal Year 2016-2017

Date	Responsible Party	Description
By March 4th	Division Leaders	Begin process by distributing University budget request forms, reports, and instructions to departments.
By March 18th	Department Heads Cost Center Supervisors	Develop department initiatives, action steps, performance indicators, and funding request forms. Submit to appropriate manager.
By April 29th	Vice Presidents	Continue divisional meetings, prioritize and summarize Division budget requests.
By May 13th	Division Leaders	Submit finalized forms to University Budget & Planning with priority funding recommendations from Deans / Managers.
June 30	Budget & Planning	Upload Finalized Budgets to SAP.

Directions for Completing
Strategic Planning and Budget Request Documents

Slippery Rock University will use a budget hearing process to provide the critical tie between strategic planning and budgeting. Goals, initiatives, and action plans will be included with the budget process. Actual funding will be tied to priority planning projects.

Form 1 - Budget Unit/Department Strategic Action Plans
The strategic plan should involve discussion and input from faculty, staff, and students in the unit wherever possible. The Strategic Plan should be updated with action steps for the next fiscal year. The unit's strategic plan should indicate how the unit would address one or more of the System Goals or Performance Indicators. Form 1 must accompany all requests for a recurring budget adjustment.

Form 2 - Criteria for Requests for One-time Project Funds
Form 2 provides criteria for evaluating requests for additional budget for "One-Time", non-recurring project expenditures. Use the information in these guidelines to complete Form 3.

Form 3 - Budgeting Requests for One-time Project Funds
On Form 3, describe the resources requested, the rationale for the request, and the estimated cost. No requests under $500 should be listed and requests should be listed in priority order. Do not enter these amounts into the cost/fund center expense budgets.

Form 4 - Projected Budget Expenditures by Category
Form 4 is provided to assist with budgeting the cost/fund center. A five year trend of actuals are provided, which includes actuals for the current fiscal year to date. In addition to the actuals, the original budget loaded from last fiscal year is provided.

Do not enter one-time requests for computer upgrades on Form 4.

Do not enter any amount for administrative or faculty salaries. The Personnel section should include only

Form 4 is set up as an account hierarchy. Rows in the hierarchy will expand to the lowest level by clicking the number "2" or "3" in the upper left hand corner of the form. Click number "1" or number "2" to see rows grouped to a higher level of the hierarchy.

List the requested budget amount in the "Fiscal Year 2017 Request" column.

Form 1 – Strategic Plan **Unit:** ____________________

Strategic Plan: (type in specific wording for selected measure)

2016-2017
Proposed Strategic Plan Outcome Statement(s):
(type in specific outcome statement either as currently listed in Strategic Plan or proposed for Strategic Plan)

Budgetary Needs:
Type in budget request necessary to execute outcome statement.
Be sure budgetary needs for 2016-2017 are transferred to Form 2 or 4

Expenditures Description	Cost

2017-2018
Proposed Strategic Plan Outcome Statement(s):

Budgetary Needs:

Expenditures Description	Cost

2018-2019
Proposed Strategic Plan Outcome Statement(s):

Budgetary Needs:

Expenditures Description	Cost

Form 2 - Criteria for Evaluating Requests for Additional Budget for "One-Time", non-recurring Project Expenditures

CRITERIA	DEFINITION	Definition Priority	Department Priority
Governance Mandates	Requested resource is necessary to meet the requirements of an external agency, such as the State System of Higher Education, Middle States accreditation association, or a governing board.	1	
Strategic Goal	Requested resource is directly tied to meeting a university strategic goal, System Goal or Performance Indicator.	2	
Positive Student Client Impact	Requested resource will have an exceptionally positive teaching, scholarship or service impact on students, faculty, or staff	3	
Cost Effectiveness	Requested resource will eventually result in cost savings and/or increase in revenues to the unit	4	
Unit Strategic Plan	Requested resource is directly tied to meeting a strategic objective of the unit; however, it does not meet a university strategic goal	5	
Facilities Maintenance	Requested resource is necessary for maintaining current level of service or function; must be supported by evidence of growth, function increase, and/or unforeseen change in facilities.	6	

Form 3- Requests for One-time Purchase Funding

Request Year: FY2016-2017

Our Mission: *The fundamental mission of Slippery Rock University is to provide high quality undergraduate and graduate academic instruction. Complementary missions are to conduct scholarly research, to promote professional performance, and to address the educationally-related economic, health, environmental, social, cultural, and recreational needs of the region served by the university.*

Department Priority #	College/Division	Cost/Fund Center	Department	Goals Code	Goals Description	Project Description	Assessment Outcomes	Budget Request $	Dean Recommended $	VP Recommended $
						minimum request $500	*TOTAL*	$ -	$ -	$ -

Enter one of the following Goal Codes:

UN = University Goals

CO = College Goals

PI = Performance Indicators

DE = Department Goals

PR = Program Goals

Form 4 - Cost/Fund Center Actual Trends & Budget Requests

Go to the cost/fund center for each budget worksheet. Do not enter budget amounts directly onto this summary page.

View Summary by: Grand Total (Student Wage & Non-Personnel) (drop down for selection)

Summary of Cost/Fund Center Actuals & Budget

Cost/Fund Center	Description	Current Fiscal Year-to-Date 2015/16	Original Budget Fiscal Year 2015/16	Budget Request Fiscal Year 2016/17	More/(Less) than FY2015/16 Original Budget	% Change More/(Less)
General & Administrative Fund 1000						
7011342000	BUSINESS SCHOOL	-	-	-	-	0.0%
7011361000	CTR GOVT CONTRACTS	-	-	-	-	0.0%
7011360000	COLLEGE OF BUSINESS	-	-	-	-	0.0%
7011310200	COMMUNICATION DEPART	-	-	-	-	0.0%
7011342500	HOSPITALITY/EVENTS	-	-	-	-	0.0%
7011300800	MILITARY SCI-ARMY	-	-	-	-	0.0%
7011350100	SAFETY MANAGEMENT	-	-	-	-	0.0%
7011350500	SPORT MANAGEMENT	-	-	-	-	0.0%
Total General & Administrative Fund 1000		-	-	-	-	0.0%
Academic Enhancement Fund 1924						
7016342024	BUSINESS SCHOOL	-	-	-	-	0.0%
7016361024	CTR GOVT CONTRACTS	-	-	-	-	0.0%
7016360024	COLLEGE OF BUSINESS	-	-	-	-	0.0%
7016310224	COMMUNICATION DEPART	-	-	-	-	0.0%
7016342524	HOSPITALITY/EVENTS	-	-	-	-	0.0%
7016300824	MILITARY SCI-ARMY	-	-	-	-	0.0%
7016350124	SAFETY MANAGEMENT	-	-	-	-	0.0%
7016350524	SPORT MANAGEMENT	-	-	-	-	0.0%
Total Academic Enhancement Fund 1924		-	-	-	-	0.0%
Technology Fund 1925						
7016342025	BUSINESS SCHOOL	-	-	-	-	0.0%
Total Academic Enhancement Fund 1925		-	-	-	-	0.0%

The following tabs provide a trend of actual expense and allows the user to input budget request for the next fiscal year.

	Actual Fiscal Year 2011	Actual Fiscal Year 2012	Actual Fiscal Year 2013	Actual Fiscal Year 2014	Actual Fiscal Year 2015	Actual CFYTD 2016	Initial Budget Fiscal Year 2016	Budget Request Fiscal Year 2017	Rationale
General Operating-Fund 1000 **7011342000** **BUSINESS SCHOOL**									
Total Student Employment & Non-Personnel Expenses								-	
Student Employment								-	
Undergraduate Student Wage								-	
Graduate Student Wage								-	
Non-Personnel								-	
Travel								-	
Operating								-	
check									

Acad Enhance-Fund 1924
7016342024
BUSINESS SCHOOL

Commitment Item								Budget Request Fiscal Year 2017	Rationale
Total Student Employment & Non-Personnel Expenses								-	
Student Employment								-	
Undergraduate Student Wage								-	
Graduate Student Wage								-	
Non-Personnel								-	
Travel								-	
Operating								-	

	Actual Fiscal Year 2011	Actual Fiscal Year 2012	Actual Fiscal Year 2013	Actual Fiscal Year 2014	Actual Fiscal Year 2015	Actual CFYTD 2016	Initial Budget Fiscal Year 2016	Budget Request Fiscal Year 2017	Rationale
General Operating-Fund 1000									
7011361000									
CTR GOVT CONTRACTS									
Total Student Employment & Non-Personnel Expenses								-	
Student Employment								-	
Undergraduate Student Wage								-	
Graduate Student Wage								-	
Non-Personnel								-	
Travel								-	
Operating								-	
check									

	Actual Fiscal Year 2011	Actual Fiscal Year 2012	Actual Fiscal Year 2013	Actual Fiscal Year 2014	Actual Fiscal Year 2015	Actual CFYTD 2016	Initial Budget Fiscal Year 2016	Budget Request Fiscal Year 2017	Rationale
General Operating-Fund 1000 **7011360000** **COLLEGE OF BUSINESS**									
Total Student Employment & Non-Personnel Expenses								-	
Student Employment								-	
Undergraduate Student Wage								-	
Graduate Student Wage								-	
Non-Personnel								-	
Travel								-	
Operating								-	
check									

Acad Enhance-Fund 1924
7016360024
COLLEGE OF BUSINESS

Commitment Item								Budget Request Fiscal Year 2017	Rationale
Total Student Employment & Non-Personnel Expenses								-	
Student Employment								-	
Undergraduate Student Wage								-	
Graduate Student Wage								-	
Non-Personnel								-	
Travel								-	
Operating								-	

	Actual Fiscal Year 2011	Actual Fiscal Year 2012	Actual Fiscal Year 2013	Actual Fiscal Year 2014	Actual Fiscal Year 2015	Actual CFYTD 2016	Initial Budget Fiscal Year 2016	Budget Request Fiscal Year 2017	Rationale
General Operating-Fund 1000									
7011310200									
COMMUNICATION DEPART									
Total Student Employment & Non-Personnel Expenses								-	
Student Employment								-	
Undergraduate Student Wage								-	
Graduate Student Wage								-	
Non-Personnel								-	
Travel								-	
Operating								-	
check									

Acad Enhance-Fund 1924
7016310224
COMMUNICATION DEPART

Commitment Item								Budget Request Fiscal Year 2017	Rationale
Total Student Employment & Non-Personnel Expenses								-	
Student Employment								-	
Undergraduate Student Wage								-	
Graduate Student Wage								-	
Non-Personnel								-	
Travel								-	
Operating								-	

	Actual Fiscal Year 2011	Actual Fiscal Year 2012	Actual Fiscal Year 2013	Actual Fiscal Year 2014	Actual Fiscal Year 2015	Actual CFYTD 2016	Initial Budget Fiscal Year 2016	Budget Request Fiscal Year 2017	Rationale
General Operating-Fund 1000									
7011342500									
HOSPITALITY/EVENTS									
Total Student Employment & Non-Personnel Expenses								-	
Student Employment								-	
Undergraduate Student Wage								-	
Graduate Student Wage								-	
Non-Personnel								-	
Travel								-	
Operating								-	
check									

Acad Enhance-Fund 1924
7016342524
HOSPITALITY/EVENTS

Commitment Item								Budget Request Fiscal Year 2017	Rationale
Total Student Employment & Non-Personnel Expenses								-	
Student Employment								-	
Undergraduate Student Wage								-	
Graduate Student Wage								-	
Non-Personnel								-	
Travel								-	
Operating								-	

	Actual Fiscal Year 2011	Actual Fiscal Year 2012	Actual Fiscal Year 2013	Actual Fiscal Year 2014	Actual Fiscal Year 2015	Actual CFYTD 2016	Initial Budget Fiscal Year 2016	Budget Request Fiscal Year 2017	Rationale
General Operating-Fund 1000									
7011300800									
MILITARY SCI-ARMY									
Total Student Employment & Non-Personnel Expenses								-	
Student Employment								-	
Undergraduate Student Wage								-	
Graduate Student Wage								-	
Non-Personnel								-	
Travel								-	
Operating								-	
check									

Acad Enhance-Fund 1924
7016300824
MILITARY SCI-ARMY

Commitment Item								Budget Request Fiscal Year 2017	Rationale
Total Student Employment & Non-Personnel Expenses								-	
Student Employment								-	
Undergraduate Student Wage								-	
Graduate Student Wage								-	
Non-Personnel								-	
Travel								-	
Operating								-	

	Actual Fiscal Year 2011	Actual Fiscal Year 2012	Actual Fiscal Year 2013	Actual Fiscal Year 2014	Actual Fiscal Year 2015	Actual CFYTD 2016	Initial Budget Fiscal Year 2016	Budget Request Fiscal Year 2017	Rationale
General Operating-Fund 1000									
7011350100									
SAFETY MANAGEMENT									
Total Student Employment & Non-Personnel Expenses								-	
Student Employment								-	
Undergraduate Student Wage								-	
Graduate Student Wage								-	
Non-Personnel								-	
Travel								-	
Operating								-	
check									

Acad Enhance-Fund 1924

7016350124

SAFETY MANAGEMENT

Commitment Item								Budget Request Fiscal Year 2017	Rationale
Total Student Employment & Non-Personnel Expenses								-	
Student Employment								-	
Undergraduate Student Wage								-	
Graduate Student Wage								-	
Non-Personnel								-	
Travel								-	
Operating								-	

	Actual Fiscal Year 2011	Actual Fiscal Year 2012	Actual Fiscal Year 2013	Actual Fiscal Year 2014	Actual Fiscal Year 2015	Actual CFYTD 2016	Initial Budget Fiscal Year 2016	Budget Request Fiscal Year 2017	Rationale
General Operating-Fund 1000									
7011350500									
SPORT MANAGEMENT									
Total Student Employment & Non-Personnel Expenses								-	
Student Employment								-	
Undergraduate Student Wage								-	
Graduate Student Wage								-	
Non-Personnel								-	
Travel								-	
Operating								-	
check									

Acad Enhance-Fund 1924

7016350524

SPORT MANAGEMENT

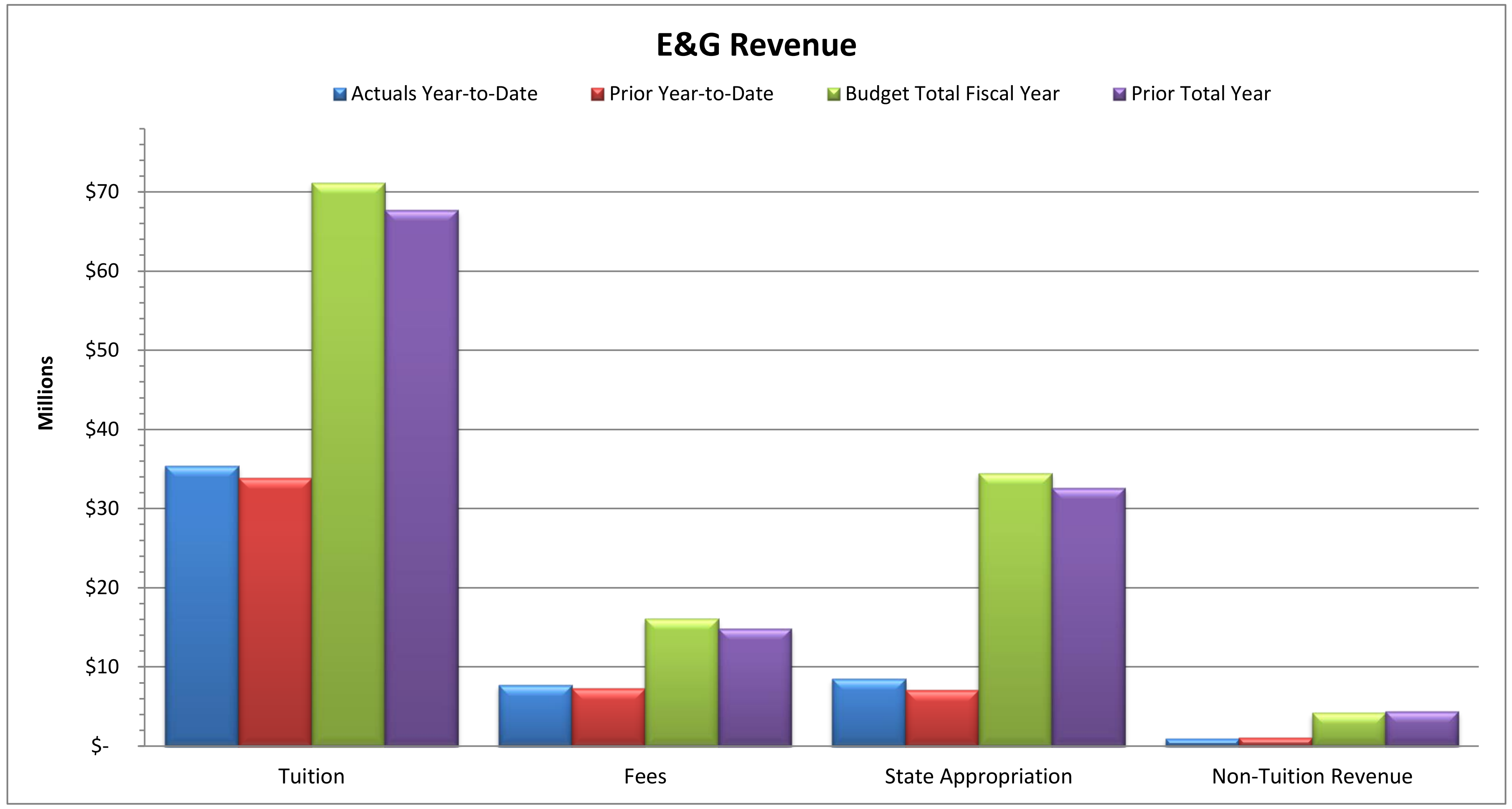
Commitment Item								Budget Request Fiscal Year 2017	Rationale
Total Student Employment & Non-Personnel Expenses								-	
Student Employment								-	
Undergraduate Student Wage								-	
Graduate Student Wage								-	
Non-Personnel								-	
Travel								-	
Operating								-	

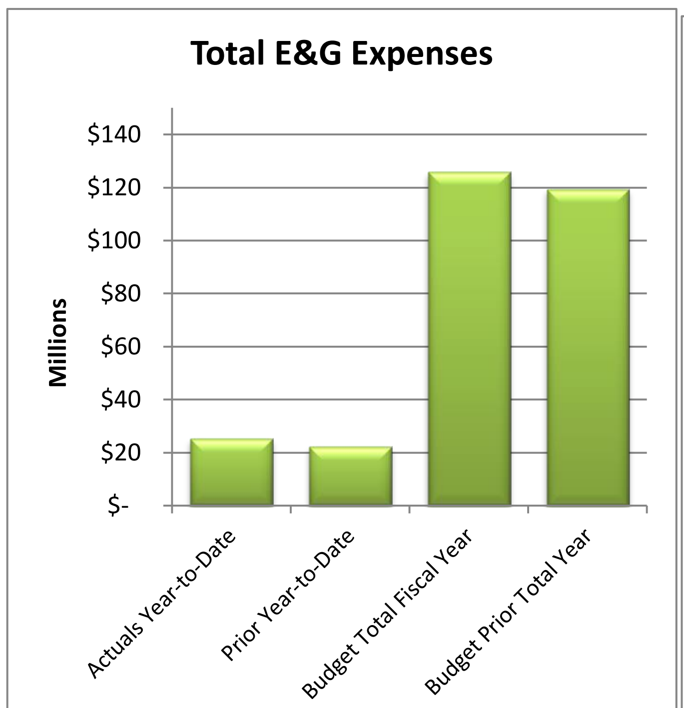
Slippery Rock University
Monthly Financial Report
Sep-15

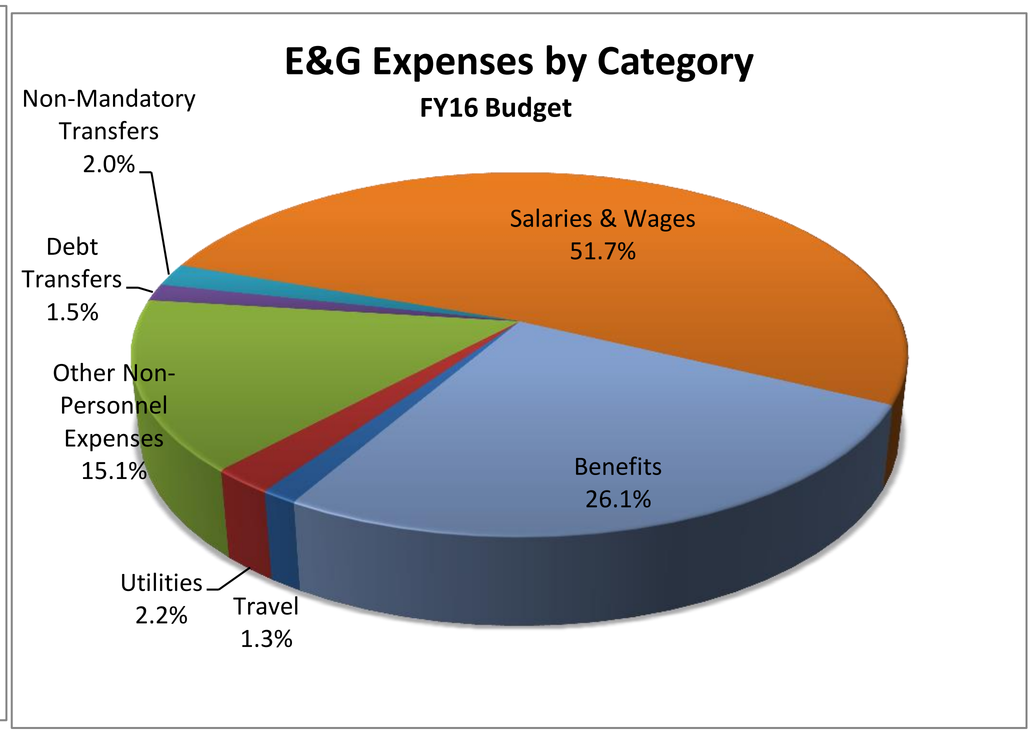
Total E&G
Selected Revenue & Expenses

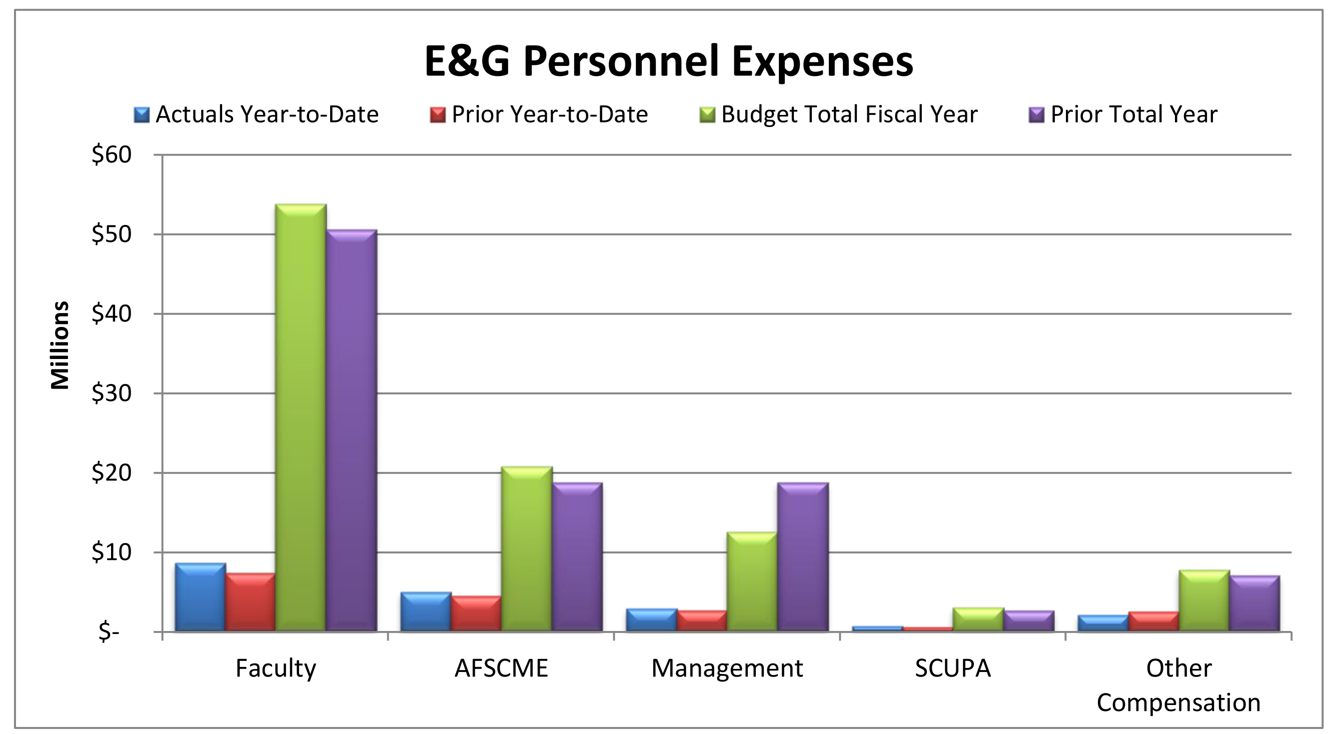
	Budget Fiscal Year	Actual Year-to-Date	% of Budget
Revenue:			
Tuition*	$ 71,158,331	$ 35,418,894	50%
Fees*	$ 16,072,085	$ 7,743,089	48%
State Appropriation	$ 34,428,961	$ 8,501,124	25%
Non-Tuition Revenue	$ 4,220,111	$ 981,660	23%
Total Revenue	**$ 125,879,488**	**$ 52,644,768**	**42%**
Expenses:			
Personnel Related	$ 97,984,991	$ 19,470,303	20%
Non-Personnel Costs:			
Travel	$ 1,646,533	$ 337,279	20%
Utilities	$ 2,816,725	$ 648,885	23%
Other Non-Personnel Expenses	$ 18,984,524	$ 4,598,631	24%
Mandatory Transfers (Debt)	$ 1,909,424	$ -	0%
Non-Mandatory Transfers	$ 2,537,292	$ 218,013	9%
Total Expenses	**$ 125,879,488**	**$ 25,273,110**	**20%**
Net Surplus/(Deficit/Use of Reserves)	**$ 0**	**$ 27,371,657**	

*Tuition & Fee revenue is recorded/recognized in advance of many of the corresponding expenses
**Appropriation revenue has not been received from Commonwealth and accordingly an estimate for July-September (3 months) is accrued (source: PASSHE)









Notes:
As of September 30, 2015 - 25% of the fiscal year has passed and 75% of the fiscal year remains although revenue and several expense categories are not recognized evenly throughout the year.

Revenue:
Revenue - Tuition Revenue as of September 30, 2015 includes Summer II session and Fall, 2015 session.
Appropriation Revenue has not been received. We have booked the appropriation amounts with the expectation that they will be received. The amount is based on information provided by PASSHE.
Non-tuition revenue consists of interest income, rental of facilities, cell tower reimbursement, ID card fee, transcript fee, ticket sales, parking decals & tickets, Pepsi funding.

Expenses:
Payroll expenditures include a eight day accrual, expensing all personnel expenditures through 9-30-15, inclusive of an accrual for faculty with the 26 pay option.
Personnel costs are not incurred evenly throughout the year, but rather follow the established pay schedules.
Other compensation includes primarily Student Wages, Police, Nurses, and Coaches.
Other Non-personnel expenses include such costs as equipment and furnishings, scholarships, library costs, contracted services, advertising, software license fees, maintenance/office supplies, bad debt expense, software, etc.

FACULTY REQUEST FORM

Please submit in original MS Word format

OVERVIEW

Academic Year	Choose an item.		
Contact Name	Click here to enter text.		
Contact Email	Click here to enter text.	**Contact Phone**	Click here to enter text.

JUSTIFICATION

Select Purpose of Submission	Choose an item.
Department	Choose an item.
Program Name	Click here to enter text.
Faculty Being Replaced	Click here to enter text.

Anticipated Level of Appointment – Please provide Rank/Step/Salary.

Rank	Click here to enter text.
Step	Click here to enter text.
Salary Range	Click here to enter text.

APPROPRIATENESS TO MISSION

Alignment with State System Strategic Direction - Please describe how the addition of faculty supports the strategic directions of the PASSHE System. (Max 250 words)

1. Ensure academic program excellence and relevance
2. Enable more students to obtain credentials that prepare them for life, career, and the responsibilities of citizenship
3. Develop new funding strategies, diversify resources, and manage costs to preserve affordability
4. Increase accountability and transparency; focus on results

Alignment with University Strategic Direction** - Please describe how the addition of faculty supports the strategic directions of the University. (Max 250 words)

1. Increase enrollment while enhancing student quality and diversity
2. Offer a quality, flexible, agile, and integrated curriculum and co-curriculum to develop the intellectual, social, physical, and leadership capacities of students
3. Fuel learning with powerful pedagogies and transformational experiences in and out of the classroom
4. Maintain an unwavering focus on success for all students
5. Provide a supportive campus experience through quality housing, dining, recreation, health, safety and administrative services, and a caring community

6. Attract, retain, and develop highly qualified and diverse faculty, staff, and administrators
7. Increase financial resources, enhance physical facilities, employ cost-effective technology, and use sustainable processes and procedures
8. Engage alumni and friends in the life of the university

Alignment with College Plan - Please describe how the addition of faculty supports the strategic directions of the college. (Max 250 words) ***Attach College Plan***

Alignment with Department Plan - Please describe how the addition of faculty supports the strategic directions of the department. (Max 250 words) ***Attach Department Plan***

DEMAND

Please provide indicators of market demand for program completers. (Max 500 words)

RESOURCE PLANNING

Please provide a brief projection of resources necessary to support the request for faculty and the source(s) of funding. (i.e. Space, equipment) (Max 250 words)

PAST 5-YEAR ENROLLMENT TRENDS BY MAJORS WITHIN DEPARTMENT

Please provide fall enrollment figures by degree type for the past 5 years.

Enter data or Attach document Undergraduate Enrollment by Program

	FALL 2011	FALL 2012	FALL 2013	FALL 2014	FALL 2015
Bachelors					
Masters					
Doctorate					
Total					

FUTURE 5-YEAR ENROLLMENT TRENDS BY MAJORS WITHIN DEPARTMENT

Please provide projected enrollment trends by degree type for the next future 5 years.

Enter data or Attach document Provide rational for future predictions.

PAST 5-YEAR ENROLLMENT TRENDS IN LIBERAL STUDIES WITHIN DEPARTMENT

Please provide the past 5-year enrollment figures for liberal studies courses within the department along with any optional justifications for enrollment that is not increasing.

Enter data or Attach document For historical data use data found on the "Liberal Studies Enrollment Report" found at in "Dept Specific Reports" under the "College Tab" at https://myreports.sru.edu/ibmcognos/cgi-bin/cognosisapi.dll

FALL 2011	FALL 2012	FALL 2013	FALL 2014	FALL 2015

FUTURE 5-YEAR ENROLLMENT TRENDS IN LIBERAL STUDIES WITHIN DEPARTMENT

Please provide projected enrollment trends in liberal studies courses with the department.

Enter data or Attach document Provide rational for future predictions.

FALL 2016	FALL 2017	FALL 2018	FALL 2019	FALL 2020

PAST 5-YEAR OF STUDENT CREDIT HOURS PER FTE TEACHING FACULTY GIVEN PROSPECTIVE ENROLLMENTS AND A NEW HIRE

Please provide the past 5-years student credit hours generated per FTE teaching faculty for department, college and university. Also provide rational for the likely future trend in student credit hours generated per FTE teaching faculty for department given prospective enrollment and a new hire.

Provide rational for future predictions* and for historical data use Credit Hours Per FTE

Department

**Also provide likely future trend of student credit hours per FTE teaching faculty given prospective enrollments and a new hire.*

FALL 2011	FALL 2012	FALL 2013	FALL 2014	FALL 2015

FALL 2016	FALL 2017	FALL 2018	FALL 2019	FALL 2020

College

FALL 2011	FALL 2012	FALL 2013	FALL 2014	FALL 2015

University

FALL 2011	FALL 2012	FALL 2013	FALL 2014	FALL 2015

BUDGET

Attach Excel File – Excel File can be obtained from Carrie Birckbichler via email at carrie.birckbichler@sru.edu