

REVISED AGENDA
FINANCE/AUDIT COMMITTEE
UNIVERSITY OF SOUTHERN INDIANA
BOARD OF TRUSTEES

September 1, 2016

1. REPORT ON THE VOLUNTARY EMPLOYEES' BENEFIT ASSOCIATION (VEBA) TRUST FUND

Neil Heppler, Co-President with Fourth Street Performance Partners and the investment advisor for the VEBA Trust, will present a report on the VEBA Trust Fund. (Attachment A)

2. APPROVAL OF RECOMMENDATION FOR 2017-2018 HOUSING RATES

Approval of a recommendation to the Board of Trustees for approval of the following 2017-2018 housing rates is recommended.

<u>FALL OR SPRING SEMESTER</u>	<u>CURRENT RATE</u>	<u>PROPOSED RATE</u>	<u>EFFECTIVE DATE</u>
<u>McDONALD or O'DANIEL APARTMENT</u>			
Two Bedroom: Two students per bedroom	\$2,196	\$2,284	7-01-17
One student per bedroom	3,924	4,081	7-01-17
One Bedroom: Two students	2,649	2,755	7-01-17
One student	4,921	5,118	7-01-17
<u>GOVERNORS, NEWMAN, O'BANNON, or RUSTON HALL</u>			
One and Two Bedroom: Two students per bedroom	\$2,196	\$2,284	7-01-17

Students who live in housing will have \$50 in Munch Money added to the proposed housing rates above for use in any dining venue on campus.

SUMMER SESSIONS

Summer session rates are pro-rated to fall and spring semester rates.

3. APPROVAL OF RECOMMENDATION FOR 2017-2018 MEAL PLAN RATES

Students who live in the residence halls (Governors, Newman, O'Bannon, and Ruston) are required to purchase a resident meal plan. Three plans (Red, White, and Blue Eagle) offer different combinations of meals in The Loft and discretionary spending at other dining venues on campus. The proposed rate allows for normal increases in food and labor costs.

<u>FALL OR SPRING SEMESTER</u>	<u>CURRENT RATE</u>	<u>PROPOSED RATE</u>	<u>EFFECTIVE DATE</u>
Red, White, or Blue Eagle Meal Plan	\$2,020	\$2,085	7-01-17

Approval of a recommendation to the Board of Trustees for approval of the proposed meal plan rates for 2017-2018 is recommended.

4. REVIEW OF COMPLETED AUDITS AND ANNUAL AUDIT PLAN

A summary of audits and other activities conducted by the Internal Audit Department during 2016 (Attachment B) will be reviewed.

5. APPROVAL OF REQUEST FOR GENERAL REPAIR AND REHABILITATION FUNDS

The Indiana General Assembly appropriated \$998,750 for fiscal year 2016-2017 repair and rehabilitation of campus facilities in the 2015 legislative session. Board approval of the projects will allow the University to access and draw down the fiscal year 2016-2017 appropriation. Attachment C is a list of proposed projects totaling \$998,750.

Approval of request regarding funds for Repair and Rehabilitation of campus facilities is recommended.

6. APPROVAL OF RECOMMENDATION TO ADOPT FINANCE/AUDIT COMMITTEE CHARTER

The Finance/Audit Committee Charter (Attachment D) was presented to the Board of Trustees at its meeting on July 14, 2016.

Approval of a recommendation to the Board of Trustees for adoption of the proposed Finance/Audit Committee Charter (Attachment D) is recommended.



FOURTH STREET PERFORMANCE PARTNERS



USI VEBA Trust

Investment Performance Analysis

June 30, 2016

Neil Heppler

Co-President

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USI VEBA Trust

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Market Summary



Quarterly Market Review

Second Quarter 2016

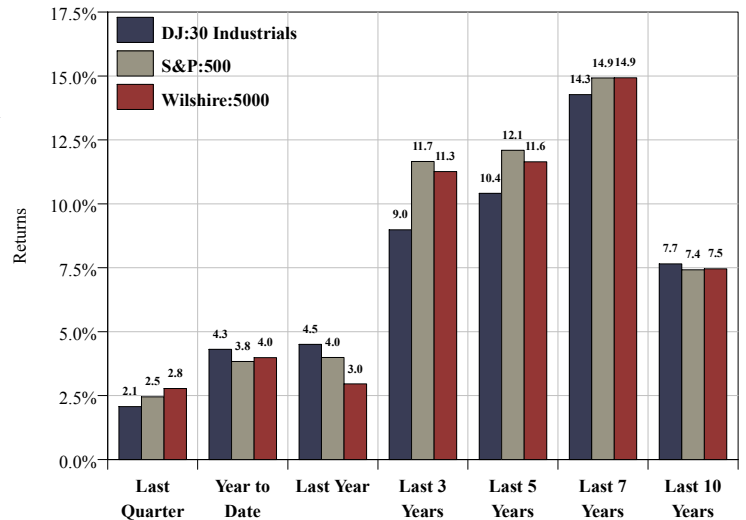
Global equity markets were mixed in the second quarter as the United Kingdom voted to leave the European Union on June 23rd, creating uncertainty which rippled through financial markets. Equities plunged following the UK referendum but were quickly followed by a strong rally that allowed some markets to remain positive for the quarter. The S&P 500 posted positive gains in all three months in the quarter, totaling a gain of 2.5%. Developed international equity markets underperformed U.S. stocks in the quarter. The MSCI EAFE Index fell 1.5% as slowing economic growth abroad combined with geopolitical uncertainty in Europe has caused investors to shy away from international stocks. Emerging Markets were slightly up for the quarter as they gained 0.7%, following a strong rally in June.

U.S. investment grade bonds had another solid quarter (+2.2%), as falling interest rates pushed bond prices higher. Many investors sought the safety of U.S. government bonds following the Brexit vote, causing the 10-year treasury yield to fall to 1.49%. Additionally, credit spreads narrowed as higher yields enticed investors, particularly in corporates, high yield and emerging market debt. The Federal Reserve, during their meeting in June, decided to leave rates unchanged. Futures markets are now pricing in only a minor chance of a rate increase at any point over the rest of 2016. The Fed also revised lower their long term projections for short term interest rates, from 3.25% to 3.0%.

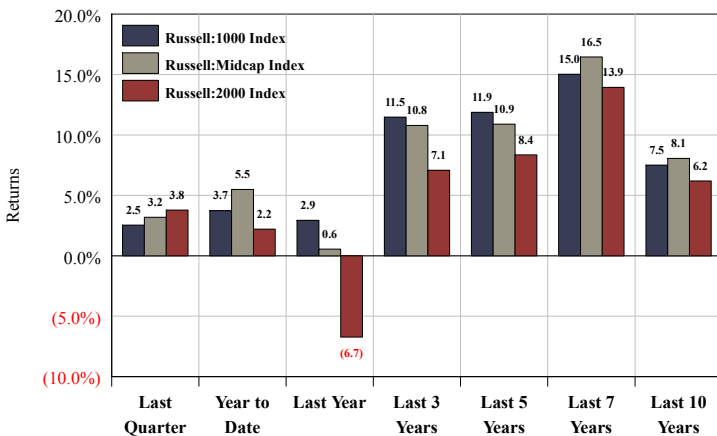
	<u>Last Quarter</u>	<u>Year to Date</u>
S&P 500	2.5	3.8
MSCI EAFE	(1.5)	(4.4)
BC Aggregate	2.2	5.3
Cash	0.1	0.1

Domestic Equity Market

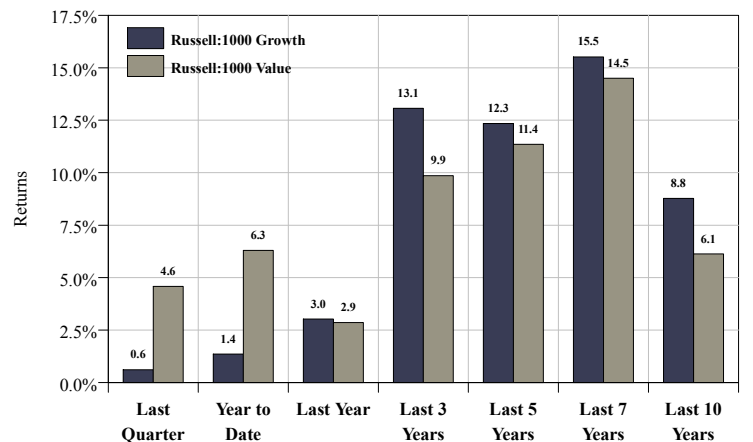
- Despite an initial negative reaction to the Brexit news, domestic equities were able to finish the quarter in positive territory. Small-cap and mid-cap stocks were the best performers (+3.8% and +3.2%, respectively), outperforming large-cap equities (+2.5%).
- Value style equities continued outperformance of their growth counterparts across all capitalizations in 2016. The largest advantage came in large caps, as the Russell 1000 Value was up 4.6% and the Russell 1000 Growth inched up 0.6%.
- The S&P 500 Index's P/E ratio on forward earnings remained at 16.6x as valuations were steady. The Shiller normalized P/E ratio rose to 26.0x, up from 25.6x.
- The final reading of first quarter 2016 real GDP came in at 1.1% annualized growth, an increase from the second estimate of 0.8%. Second quarter GDP is forecasted to rebound (+2.4%).
- Headline inflation readings remain low at an annualized rate of +0.9% through May. Core inflation is growing at an annualized rate of +2.2%.
- Non-farm payrolls increased by their smallest number since 2007 in June. Unemployment fell to 4.7% due to a shrinking labor force.



Large-cap vs. Small-cap
 Returns Ending June 30, 2016



Growth vs. Value
 Returns Ending June 30, 2016

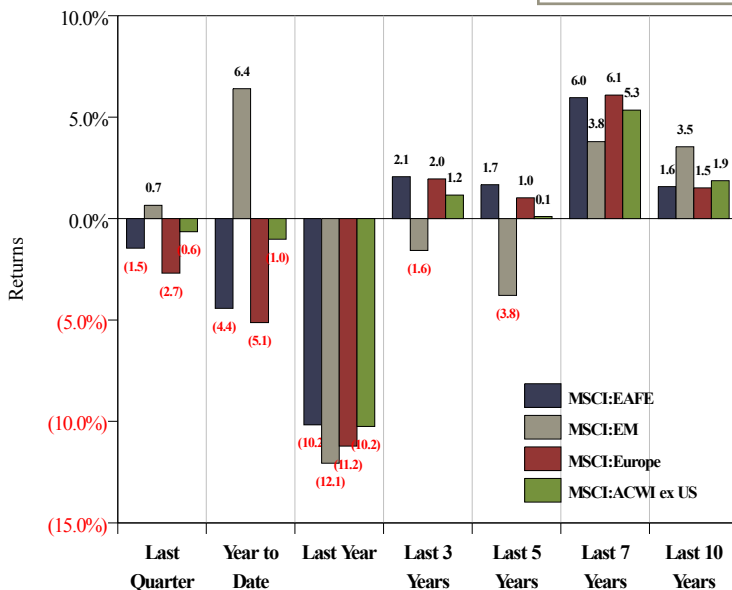


Sectors of the Market

	Financials	Technology	Health Care	Industrials	Energy	Cons. Discr.	Cons. Staples	Telecom	Utilities	Materials
S&P Weight	15.7%	19.8%	14.7%	10.2%	7.4%	12.3%	10.6%	2.9%	3.6%	2.8%
Russell Growth Weight	5.7%	29.2%	17.2%	10.8%	0.6%	21.0%	10.5%	1.3%	0.1%	3.6%
Russell Value Weight	27.6%	9.5%	11.4%	9.8%	13.6%	4.8%	9.1%	4.3%	7.1%	2.8%
2nd Qtr. 2016 Return	2.1%	(2.8%)	6.3%	1.4%	11.6%	(0.9%)	4.6%	7.1%	6.8%	3.7%
2016 YTD Return	(3.0%)	(0.3%)	0.4%	6.5%	16.1%	0.7%	10.5%	24.8%	23.4%	7.5%

- The S&P 500 returned +2.5% for the quarter as six of the equity sectors outperformed the broad index. Energy (+11.6%) was the best performing sector. Additional outperformers for the quarter include Telecom (+7.1%), Utilities (+6.8%), Healthcare (+6.3%), Consumer Staples (+4.6%), and Materials (+3.7%).
- Growth-oriented sectors Technology (-2.8%) and Consumer Discretionary (-0.9%) were the only two negative performing equity sectors for the quarter. Industrials (+1.4%) and Financials (+2.1%) posted positive returns, yet still lagged.
- Commodities posted their best quarterly results (+12.7%) since the fourth quarter of 2010, with energy, agriculture and metals gaining over 10% each. Equity markets continued to positively correlate with the price of oil, which rallied 25% and closed the quarter at \$48/barrel. Gold increased for the quarter (+6.9%) and is the best performing asset class year to date (+25.0%). REITs returned +7.0%, benefitting from declining interest rates, and MLPs returned +19.7%, thanks to the strength in oil prices.

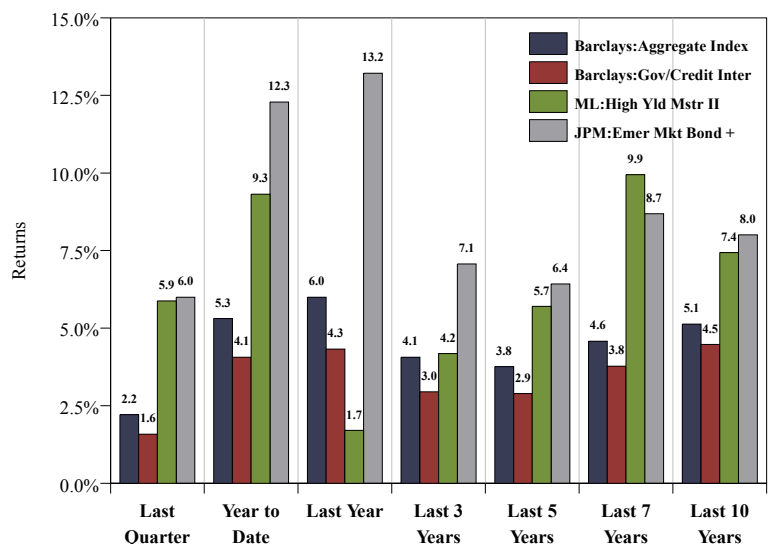
International Markets



- In a special referendum held in the United Kingdom on Thursday, June 23rd, British voters elected for the United Kingdom to leave the European Union. The next day of trading (Friday, June 24th) the MSCI EAFE Index fell 7.1%, with European Union stocks dropping 9.5% and the MSCI Emerging Markets Index declining 3.5%. The British pound hit a 31 year low. On Monday, June 24th, the S&P and Fitch both downgraded the UK's credit rating to AA.
- For the quarter, the MSCI EAFE Index declined 1.5% as international developed markets were the worst performing major equity group for the quarter. Germany (-5.6%) and France (-4.3%) were the biggest drags on performance.
- With the help of the yen strengthening 8% against the dollar, Japan outperformed and returned 1.0% in USD for the quarter.
- The MSCI Emerging Markets Index had positive gains of 0.7%. Brazil (+13.9%), Russia (+4.1%), and India (+3.7%) all outperformed the broader index for the quarter.
- Valuations on foreign developed equity markets decreased as the MSCI EAFE's P/E ratio on forward earnings is now at 14.1x. This current valuation is slightly below the historical average.

Fixed Income Markets

- Fixed income markets were positive for the second quarter of 2016 as interest rates fell across global markets. The Barclays Aggregate Index gained 2.2% for the quarter largely due to the Fed's inaction and a flight to quality sentiment after the Brexit vote.
- The U.S. Treasury yield curve continued to flatten. The spread between the 2 and 30-year treasuries fell to 172 bps (from 188 bps as of 3/31/16). The yield on the 10-year U.S. Treasury decreased by 29 bps, finishing at 1.49% and near an all time low.
- Emerging market debt (+6.0%) led fixed income asset classes, followed by high yield (+5.9%) and investment grade corporates (+3.6%). Additionally, mortgages (+1.1%) and municipals (+2.5%) posted gains for the quarter.
- In June, the Fed elected to maintain the target range for the federal funds rate of 0.25% - 0.50%. Post Brexit, markets anticipate no rate hike in 2016.
- Global yields continue to remain suppressed, with over 70 percent of government bonds outstanding yielding below 1.0%. Over 35 percent of government bonds have negative yields.





Comparative Market Returns
Average Annual Compound Returns (%)
for Periods Ended June 30, 2016

	Last Quarter	Year to Date	Last Year	Last 2 Years	Last 3 Years	Last 4 Years	Last 5 Years	Last 6 Years	Last 7 Years	Last 8 Years	Last 9 Years	Last 10 Years	Last 15 Years
<u>U.S. Large Cap Equity</u>													
S&P:500	2.46	3.84	3.99	5.69	11.66	13.83	12.10	15.00	14.92	8.73	6.05	7.42	5.75
S&P:500 Growth	1.01	1.55	4.24	7.12	13.41	14.24	12.92	16.12	15.61	9.72	7.88	8.97	6.11
S&P:500 Value	3.96	6.24	3.38	3.97	9.66	13.32	11.18	13.80	14.17	7.66	4.13	5.77	5.26
DJ:30 Industrials	2.07	4.31	4.50	5.85	8.99	11.38	10.41	13.51	14.27	8.77	6.07	7.66	6.23
Russell:3000 Index	2.63	3.62	2.14	4.68	11.13	13.62	11.60	14.82	14.95	8.68	6.07	7.40	6.09
Russell:1000 Index	2.54	3.74	2.93	5.13	11.48	13.84	11.88	15.00	15.03	8.73	6.16	7.51	6.02
Russell:1000 Growth	0.61	1.36	3.02	6.72	13.07	14.06	12.35	15.84	15.52	9.54	7.70	8.78	5.50
Russell:1000 Value	4.58	6.30	2.86	3.49	9.87	13.54	11.35	14.11	14.50	7.86	4.51	6.13	6.38
<u>Mid Cap Equity</u>													
S&P:400 Mid Cap	3.99	7.93	1.33	3.83	10.53	14.02	10.55	14.90	16.28	9.51	7.50	8.55	8.80
Russell:2500 Index	3.57	3.98	(3.67)	1.01	8.61	12.63	9.48	13.96	15.35	8.99	6.12	7.32	8.09
Russell:2500 Growth	2.70	(0.03)	(7.69)	1.36	9.06	12.62	9.27	14.51	15.47	8.98	6.80	7.96	6.76
Russell:2500 Value	4.37	7.84	0.22	0.60	8.14	12.55	9.59	13.40	15.18	8.94	5.28	6.52	8.77
<u>Small Cap Equity</u>													
S&P:600 Small Cap	3.48	6.23	(0.03)	3.29	10.23	13.79	11.20	15.14	16.32	10.05	6.98	7.86	8.92
Russell:2000 Index	3.79	2.22	(6.73)	(0.34)	7.09	11.13	8.35	12.73	13.94	8.14	5.12	6.20	6.96
Russell:2000 Growth	3.24	(1.59)	(10.75)	0.13	7.74	11.52	8.51	13.69	14.29	8.45	6.12	7.14	5.91
Russell:2000 Value	4.31	6.08	(2.58)	(0.92)	6.36	10.69	8.15	11.71	13.53	7.75	4.00	5.15	7.73
<u>Global Equity</u>													
MSCI:ACWI	0.99	1.23	(3.73)	(1.53)	6.03	8.57	5.38	9.15	9.52	3.69	2.16	4.26	4.98
MSCI:ACWI ex US	(0.64)	(1.02)	(10.24)	(7.78)	1.16	4.15	0.10	4.52	5.35	(0.07)	(0.82)	1.87	4.96
MSCI EAFE USS (net)	(1.46)	(4.42)	(10.16)	(7.24)	2.06	5.97	1.68	5.98	5.97	0.37	(0.91)	1.58	4.32
MSCI EAFE Growth	(0.15)	(2.22)	(4.80)	(3.08)	4.17	7.62	3.24	7.45	7.62	1.30	0.65	2.88	4.59
MSCI EAFE Value	(2.79)	(6.65)	(15.43)	(11.36)	(0.10)	4.27	0.05	4.43	4.25	(0.62)	(2.54)	0.21	3.95
MSCI:Europe	(2.69)	(5.13)	(11.22)	(9.45)	1.96	5.95	1.02	6.16	6.09	(0.12)	(1.44)	1.52	4.41
MSCI:Pacific	0.87	(2.94)	(8.19)	(2.90)	2.16	6.01	2.98	5.77	5.86	1.48	0.26	1.72	4.10
MSCI:EM	0.66	6.41	(12.05)	(8.66)	(1.56)	(0.47)	(3.78)	0.88	3.80	(0.85)	(0.26)	3.54	9.12
<u>Fixed Income</u>													
Barclays:Aggregate Index	2.21	5.31	6.00	3.91	4.06	2.85	3.76	3.79	4.58	4.76	5.02	5.13	5.08
Barclays:Gov/Credit Inter	1.59	4.07	4.33	3.00	2.95	2.28	2.90	3.04	3.78	3.96	4.34	4.48	4.52
Barclays:Gov/Credit Bond	2.67	6.23	6.70	4.17	4.20	2.98	4.11	4.04	4.82	4.88	5.14	5.22	5.19
Barclays:Gov/Credit Long	6.55	14.33	15.72	8.61	9.33	5.64	9.18	8.16	9.31	8.81	8.58	8.42	7.88
Barclays:Muni Bond 10 Yr	2.53	4.47	8.29	5.59	5.84	4.38	5.54	5.36	5.95	5.91	5.77	5.67	5.40
ML:High Yield CP Idx	5.78	9.20	1.70	0.58	4.16	5.45	5.69	7.23	9.86	8.07	6.90	7.36	7.70
JPM:Emer Mkt Bond +	6.00	12.29	13.22	5.29	7.07	5.28	6.43	7.30	8.69	7.89	7.58	8.01	9.14
ML:Treas 1-3	0.53	1.43	1.31	1.09	0.98	0.82	0.81	0.90	1.15	1.55	2.18	2.46	2.67
3 Month T-Bill	0.07	0.15	0.19	0.11	0.09	0.10	0.09	0.10	0.11	0.21	0.59	1.04	1.44
CPI (All Urban Cons.)	1.29	1.98	1.08	0.60	1.09	1.25	1.34	1.70	1.61	1.23	1.64	1.74	2.05
<u>Alternatives</u>													
HFR Fund of Funds Index	0.77	(2.31)	(5.21)	(0.73)	1.98	3.28	1.67	2.49	2.80	0.36	0.31	1.63	3.15
BLMBRG:Commdty Idx	12.71	13.09	(13.48)	(18.76)	(10.63)	(10.00)	(10.89)	(5.63)	(4.49)	(11.36)	(6.94)	(6.46)	(0.89)
GS Commodity Index	12.67	9.86	(26.08)	(31.66)	(19.81)	(14.83)	(14.03)	(8.36)	(7.95)	(16.97)	(9.74)	(10.18)	(2.59)
Wilshire:REIT	5.60	11.09	22.82	13.68	13.63	12.30	12.48	16.04	20.99	9.57	6.48	6.99	11.20

Tab 2

Performance Analysis



USI VEBA Trust
Performance Summary Table (Net of Fees)
for Periods Ending June 30, 2016
(Investment Returns are Shown Net of Fees)

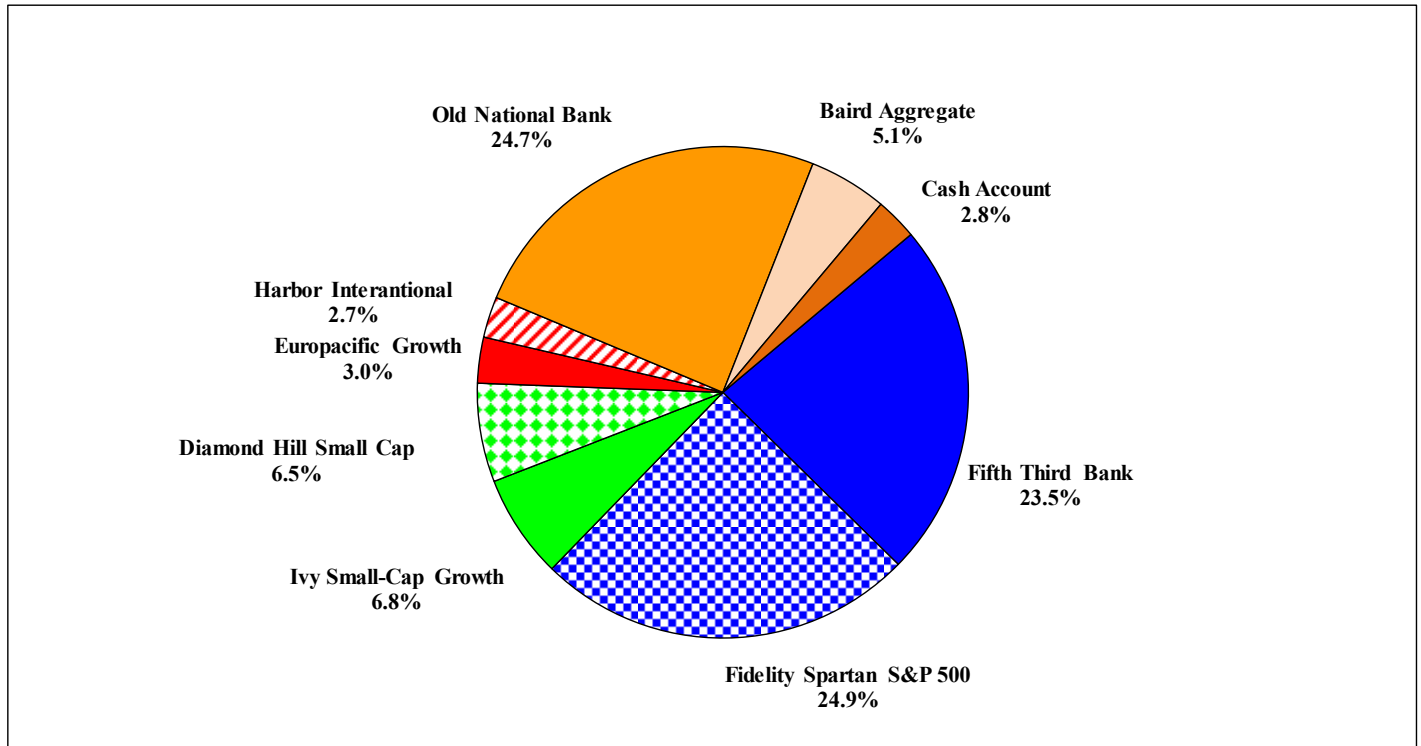
	<u>QTR</u>	<u>YTD</u>	<u>1 YR</u>	<u>3 YR</u>	<u>5 YR</u>	<u>10 YR</u>	<u>15 YR</u>	<u>Inception</u>	<u>Date</u>
USI VEBA Trust Composite	2.2	2.8	0.2	7.2	6.8	6.2	5.7	5.6	Dec-95
<i>Balanced Index¹</i>	2.2	4.0	4.3	9.1	9.4	6.8	5.7	5.4	Dec-95
<i>Diversified Balanced Index²</i>	2.0	3.2	1.4	7.5	7.6	5.9	5.7	5.5	Dec-95
<i>US DOL:CPI All Urban Cons</i>	1.2	1.9	1.0	1.1	1.3	1.7	2.0	2.2	Dec-95
<u>Domestic Equity</u>									
Fifth Third Bank	2.9	1.7	(2.6)	8.8	7.9	7.0	6.1	6.5	Dec-00
Fidelity Spartan S&P 500	2.4	3.8	4.0	11.6	12.1	7.4	--	6.5	Jun-07
<i>S&P:500</i>	2.5	3.8	4.0	11.7	12.1	7.4	5.8	5.1	Dec-00
Ivy Small Cap Growth	5.1	3.4	(4.7)	8.3	8.0	8.3	7.3	6.3	Dec-00
<i>Russell:2000 Index</i>	3.8	2.2	(6.7)	7.1	8.4	6.2	7.0	7.2	Dec-00
<i>Russell:2000 Growth</i>	3.2	(1.6)	(10.8)	7.7	8.5	7.1	5.9	5.7	Dec-00
Diamond Hill Small Cap	1.9	2.5	(3.6)	6.4	8.0	6.2	--	11.0	Nov-09
<i>Russell:2000 Index</i>	3.8	2.2	(6.7)	7.1	8.4	6.2	7.0	12.5	Nov-09
<i>Russell:2000 Value</i>	4.3	6.1	(2.6)	6.4	8.1	5.2	7.7	11.6	Nov-09
<u>International Equity</u>									
American Funds EuroPac	(0.3)	(2.7)	(9.7)	3.7	2.4	--	--	4.1	Mar-10
<i>MSCI:EAFE</i>	(1.5)	(4.4)	(10.2)	2.1	1.7	1.6	4.3	3.2	Mar-10
Harbor International	(1.6)	(1.1)	(11.5)	1.0	0.7	3.6	7.3	3.6	Nov-09
<i>MSCI:EAFE</i>	(1.5)	(4.4)	(10.2)	2.1	1.7	1.6	4.3	3.4	Nov-09
<u>Fixed Income</u>									
Old National Bank	1.5	3.8	4.6	3.2	2.9	4.4	4.0	4.4	Dec-95
<i>Barclays:Gov/Credit Inter</i>	1.6	4.1	4.3	3.0	2.9	4.5	4.5	5.0	Dec-95
Baird Aggregate Bd;Inst	2.6	5.7	6.1	4.6	4.8	5.5	5.5	5.0	Sep-15
<i>Barclays:Aggregate Index</i>	2.2	5.3	6.0	4.1	3.8	5.1	5.1	4.7	Sep-15

¹ The Balanced Index is comprised of 100% BC Intermediate Govt/Corp Index from 1/1/1996 through 12/31/2000 and 30% BC Intermediate Govt/Corp Index and 70% S&P 500 Stock Index from 1/1/2001 forward.

² The Diversified Balanced Index is comprised of 100% BC Intermediate Govt/Corp Index from 1/1/1996 through 12/31/2000 and 30% BC Intermediate Govt/Corp Index, 42% S&P 500 Stock Index, 18% MSCI EAFE Index, and 10% Russell 2000 Index from 1/1/2001 to 9/30/14. From September 30, 2014 to the present, the Diversified Balanced Index is comprised of 30% BC Intermediate Govt/Corp Index, 40% S&P 500 Stock Index, 10% MSCI EAFE Index, 10% Russell Midcap Index and 10% Russell 2000 Index .

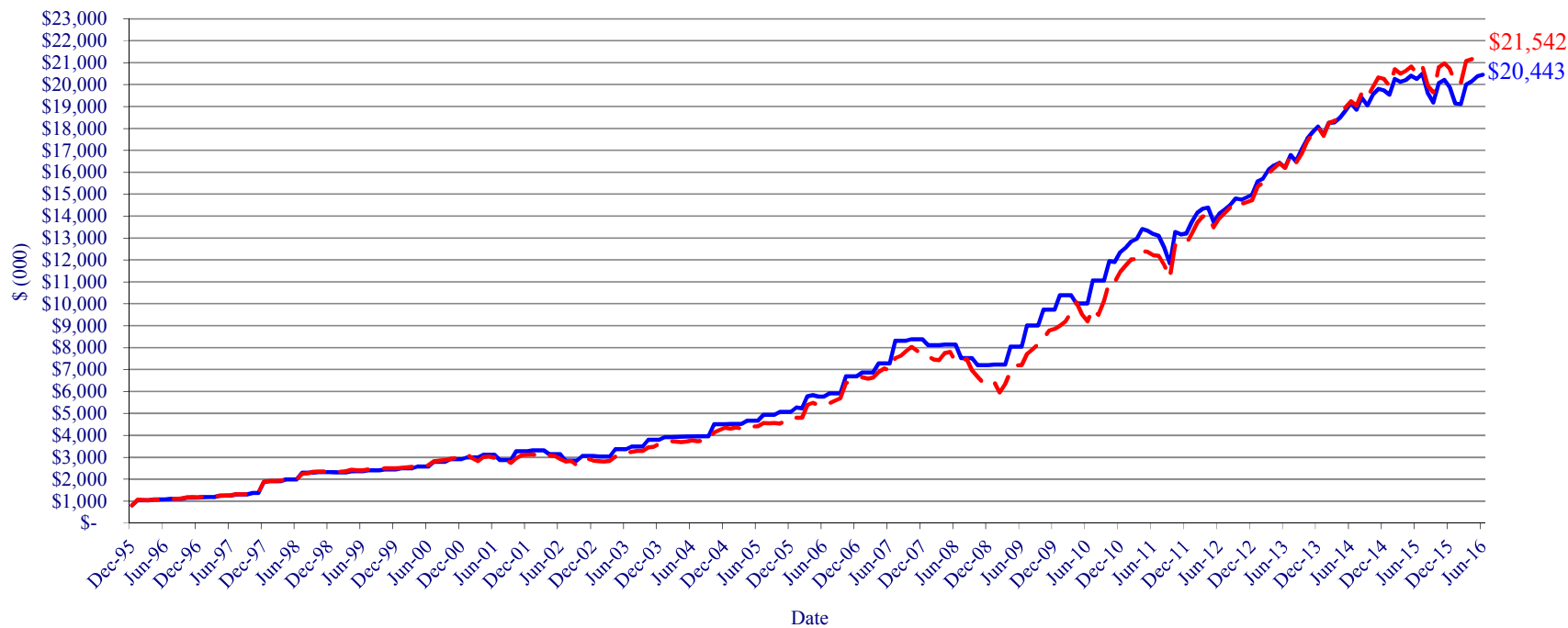
USI VEBA Trust
 Asset Mix
 Periods Ending June 30, 2016

Total Assets: \$20,443,329



	<u>Domestic Large-Cap</u>	<u>Domestic Mid-Cap</u>	<u>Domestic Small-Cap</u>	<u>International Equity</u>	<u>Fixed Income</u>	<u>Cash</u>	<u>Total</u>
Fifth Third Bank	\$3,452,124	\$815,085	-	\$527,408	-	-	\$4,794,616
Fidelity Spartan 500 Index	\$5,094,965	-	-	-	-	-	\$5,094,965
Ivy Small-Cap Growth	\$178,272	\$1,081,226	\$137,616	-	-	-	\$1,397,113
Diamond Hill Small Cap	-	\$551,502	\$778,060	-	-	-	\$1,329,562
Europacific Growth Fund	-	-	-	\$616,809	-	-	\$616,809
Harbor International	-	-	-	\$549,116	-	-	\$549,116
Old National Bank	-	-	-	-	\$5,044,006	-	\$5,044,006
Baird Aggregate	-	-	-	-	\$1,053,036	-	\$1,053,036
Cash Account	-	-	-	-	-	\$564,105	\$564,105
Total	\$8,725,360	\$2,447,813	\$915,675	\$1,693,333	\$6,097,043	\$564,105	\$20,443,329
% of Total	43%	12%	4%	8%	30%	3%	100%
Target	40%	10%	10%	10%	30%	0%	

USI VEBA Trust
 Sources of Growth
 Market Values from December 31, 1995 through June 30, 2016

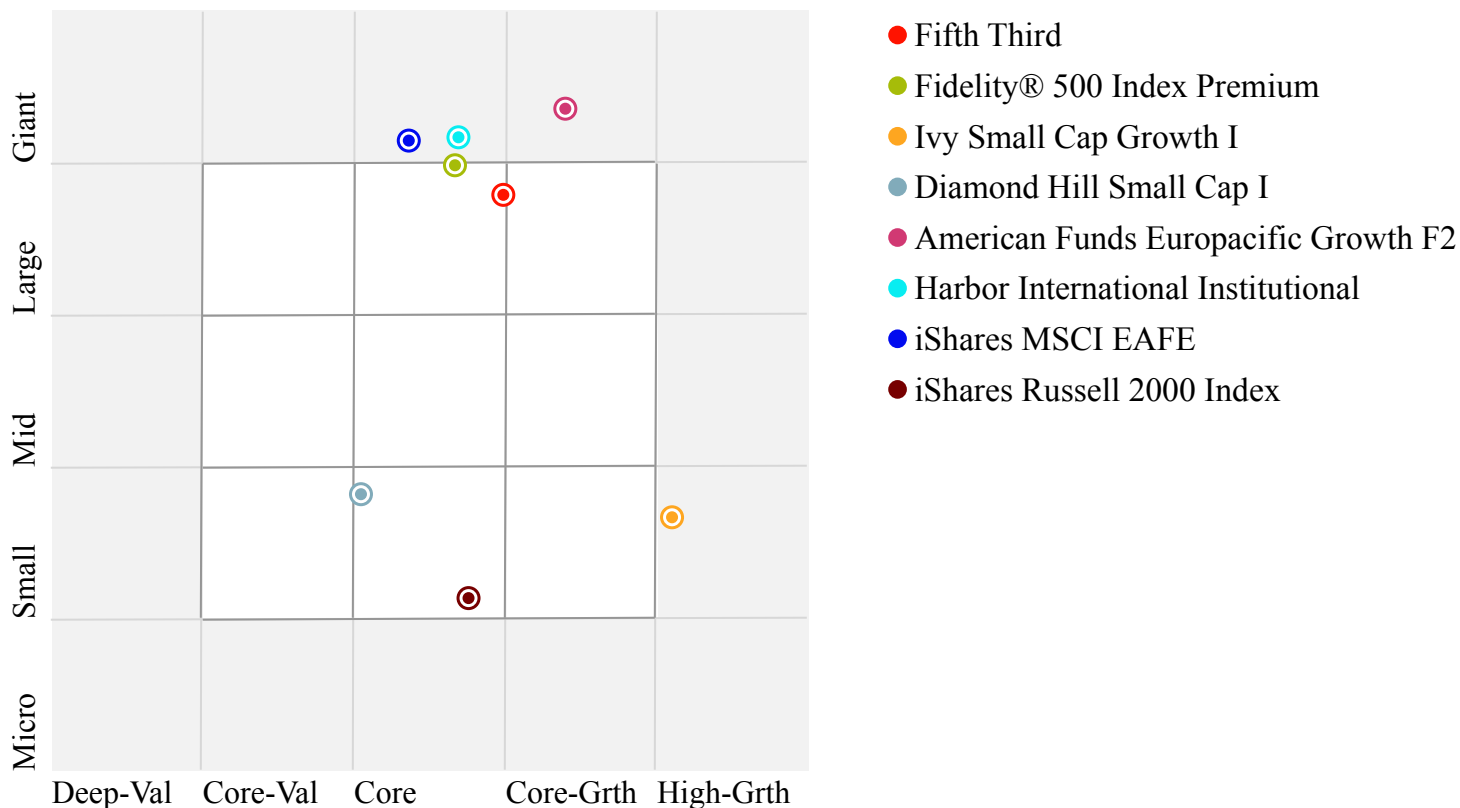


— Composite

— - Balanced Index

	<u>Net Cash Flow</u>	<u>Gain/Loss</u>	Incremental Gain/Loss Relative to: <u>Balanced Index</u>
Past Quarter	\$0	\$437,369	(\$26,101)
Year-to-Date	\$0	\$555,710	(\$271,410)
Past Year	\$150,000	\$34,609	(\$853,741)
Past 3 Years	\$450,000	\$3,788,760	(\$1,106,206)
Past 5 Years	\$1,593,690	\$5,667,371	(\$2,068,820)
Since Inception	\$9,574,420	\$10,062,793	(\$1,099,055)

USI VEBA Trust Equity Style Map Equity Summary Statistics

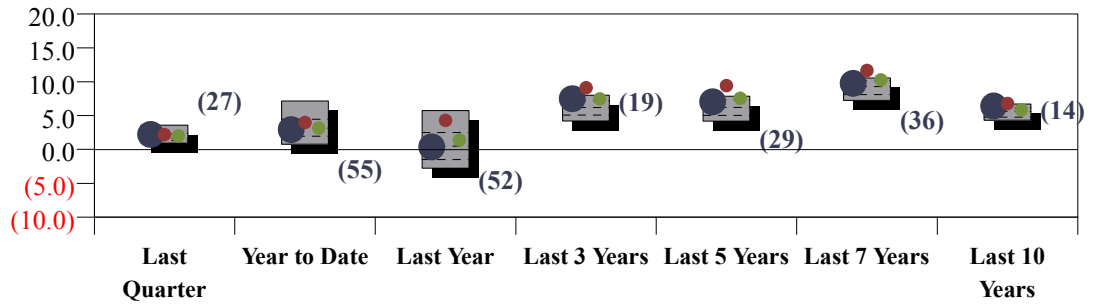


Asset Allocation

Portfolio Date: 6/30/2016

	Equity Style Value %	Equity Style Core %	Equity Style Growth %
Fifth Third	33.67	23.37	42.97
Fidelity® 500 Index Premium	34.28	33.31	32.41
Ivy Small Cap Growth I	4.75	25.88	69.38
Diamond Hill Small Cap I	29.83	53.86	16.31
American Funds Europacific Growth F2	17.98	30.82	51.21
Harbor International Institutional	31.21	38.62	30.17
iShares MSCI EAFE	35.52	33.85	30.64
iShares Russell 2000 Index	29.78	34.12	36.10

**USI VEBA Trust Composite (Gross)
for Periods Ended June 30, 2016
Group: CAI Corp Fund Sponsor - Small (<100M)**



CAI Corp Fd Sponsor Sm DB

	Last Quarter	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
25th Percentile	2.39	4.49	2.51	7.19	7.30	10.13	6.14
Median	1.61	3.16	0.52	6.20	6.22	9.31	5.64
75th Percentile	1.29	1.97	(1.47)	5.11	5.05	8.10	4.77

USI VEBA Trust Composite (Gross)	●	2.23	2.95	0.40	7.51	7.05	9.79	6.44
Balanced Index	●	2.20	3.99	4.31	9.12	9.44	11.67	6.80
Diversified Balanced Index	●	2.02	3.18	1.41	7.49	7.56	10.28	5.87

Calendar Year Returns	2007	2008	2009	2010	2011	2012	2013	2014	2015
USI VEBA Trust	12.64 (4)	(22.34) (34)	21.28 (50)	12.37 (56)	0.05 (54)	10.70 (78)	20.22 (13)	7.71 (24)	0.27 (23)
Balanced Index	6.19 (75)	(26.03) (61)	20.22 (60)	12.70 (46)	3.46 (23)	12.37 (54)	21.54 (7)	10.49 (14)	1.49 (6)

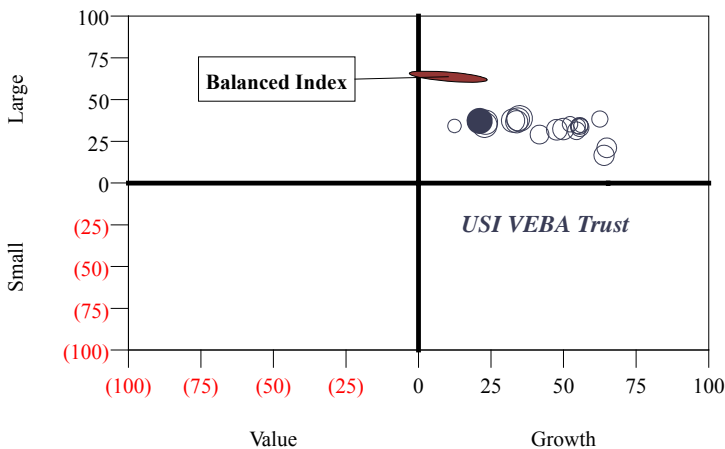
3 YEARS RISK STATISTICS

	Standard Deviation	Alpha	Beta	R-Squared
USI VEBA Trust	5.98	(1.39)	0.99	0.89
Balanced Index	5.73	0.00	1.00	1.00
CAI Corp Fd Sponsor Sm DB	6.06	(1.82)	0.86	0.77

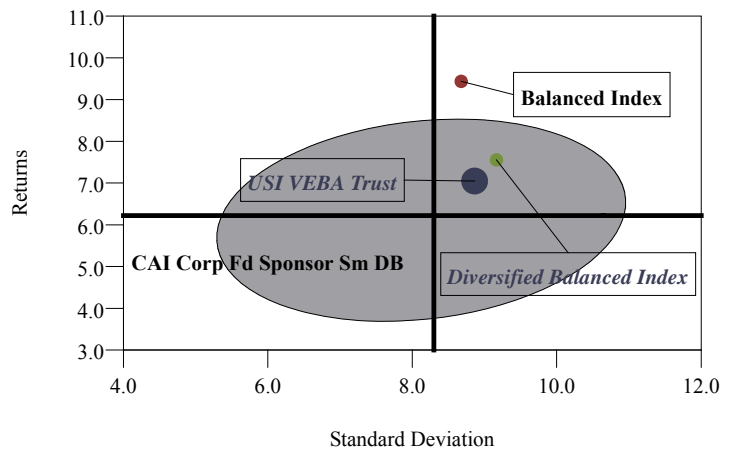
5 YEARS RISK STATISTICS

	Standard Deviation	Alpha	Beta	R-Squared
USI VEBA Trust	8.86	(2.20)	1.00	0.96
Balanced Index	8.68	0.00	1.00	1.00
CAI Corp Fd Sponsor Sm DB	8.30	(2.27)	0.89	0.88

Style Map for Rolling 5 Years Ended 6/30/16



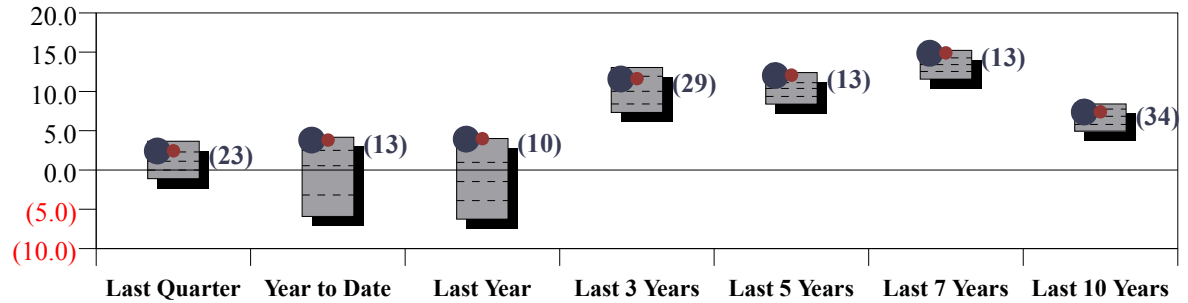
Risk vs. Return for 5 Years Ending 6/30/16



Tab 3

Manager Analysis - Equity

**Fidelity Spartan S&P 500
for Periods Ended June 30, 2016
Group: CAI Large Cap Broad Equity Mutual Funds**



CAI Large Cap Broad MFs

25th Percentile	2.32	2.52	1.00	11.95	11.14	14.29	7.75
Median	1.13	0.55	(1.46)	10.05	10.40	13.43	6.87
75th Percentile	0.01	(3.16)	(3.87)	8.43	9.38	12.57	5.80

Fidelity Spartan S&P 500	●	2.44	3.82	3.96	11.61	12.05	14.88	7.39
S&P:500	●	2.46	3.84	3.99	11.66	12.10	14.92	7.42
CAI Large Cap Broad MFs		1.13	0.55	(1.46)	10.05	10.40	13.43	6.87

Calendar Year Returns	2007	2008	2009	2010	2011	2012	2013	2014	2015
Fidelity Spartan S&P 500	5.47 (63)	(37.02) (41)	26.55 (50)	15.01 (34)	2.06 (19)	15.97 (45)	32.33 (63)	13.62 (18)	1.35 (49)
S&P:500	5.49 (63)	(37.00) (41)	26.47 (51)	15.06 (34)	2.11 (19)	16.00 (44)	32.39 (63)	13.69 (17)	1.38 (49)

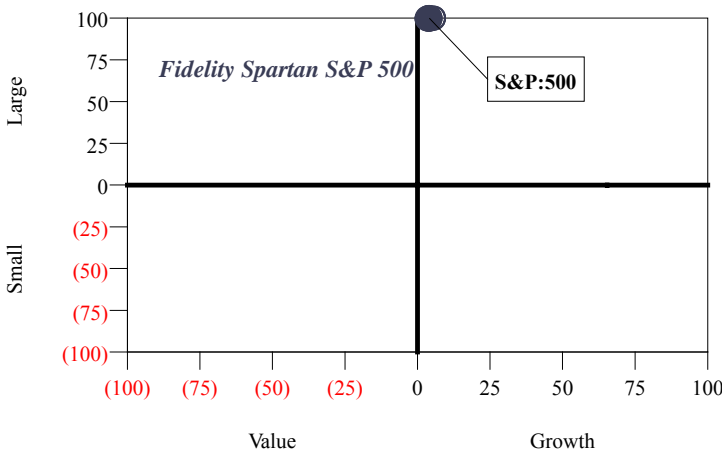
3 YEARS RISK STATISTICS

	Standard Deviation	Alpha	Beta	R-Squared
Fidelity Spartan S&P 500	8.42	(0.04)	1.00	1.00
S&P:500	8.42	0.00	1.00	1.00
CAI Large Cap Broad MFs	9.41	(1.79)	1.05	0.87

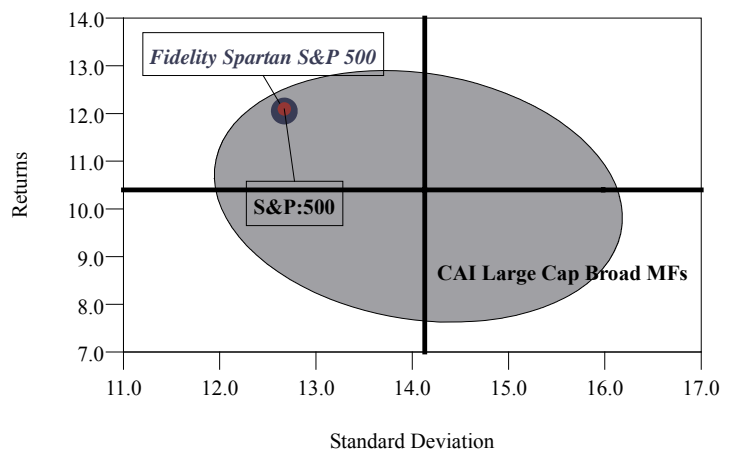
5 YEARS RISK STATISTICS

	Standard Deviation	Alpha	Beta	R-Squared
Fidelity Spartan S&P 500	12.67	(0.04)	1.00	1.00
S&P:500	12.67	0.00	1.00	1.00
CAI Large Cap Broad MFs	14.13	(2.08)	1.06	0.94

Style Map for Rolling 5 Years Ended 6/30/16



Risk vs. Return for 5 Years Ending 6/30/16



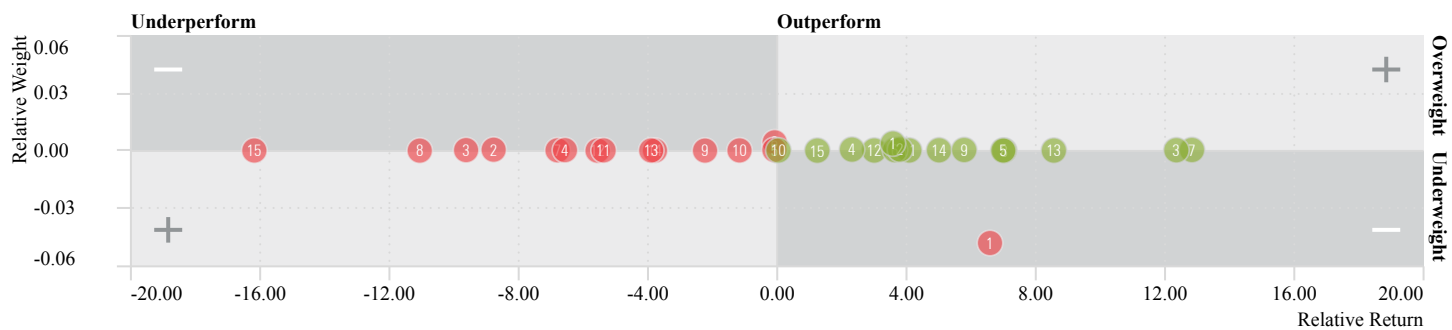
Fidelity S&P 500 Equity Summary Statistics

Equity Portfolio Characteristics	Fidelity	S&P 500	Top Ten Holdings		
# of Holdings (Long)	511	505	Calculation Benchmark: SPDR® S&P 500 ETF Portfolio Date: 6/30/2016		
Average Market Cap (mil) (Long)	74,074	76,222		Portfolio Weighting %	Benchmark Weighting %
Equity Style Factor Div Yld (Long)	2.36	2.28	Apple Inc	2.80	2.86
P/E Ratio (TTM) (Long)	19.36	19.97	Microsoft Corp	2.15	2.20
P/B Ratio (TTM) (Long)	2.72	2.79	Exxon Mobil Corp	2.08	2.12
Debt to Capital % (trailing) (Long)	42.00	41.93	Johnson & Johnson	1.79	1.82
Net Margin % (trailing) (Long)	13.04	13.00	General Electric Co	1.55	1.58
ROA % (TTM) (Long)	6.84	6.79	Amazon.com Inc	1.48	1.51
ROE % (TTM)	21.27	21.10	Berkshire Hathaway Inc B	1.45	1.48
			AT&T Inc	1.42	1.45
			Facebook Inc A	1.42	1.44
			Verizon Communications Inc	1.22	1.24

Ten Highest Contributors By Position				Ten Lowest Contributors By Position			
Time Period: 4/1/2016 to 6/30/2016				Time Period: 4/1/2016 to 6/30/2016			
	Rescaled Weight	Return	Contribution		Rescaled Weight	Return	Contribution
Amazon.com Inc	1.41	20.55	0.26	Apple Inc	3.10	-11.75	-0.40
Exxon Mobil Corp	2.01	13.09	0.25	Microsoft Corp	2.31	-6.69	-0.16
Johnson & Johnson	1.70	12.90	0.21	Alphabet Inc A	1.20	-7.78	-0.10
Pfizer Inc	1.09	19.87	0.20	Alphabet Inc C	1.19	-7.09	-0.09
AT&T Inc	1.33	11.68	0.16	Allergan PLC	0.53	-13.78	-0.08
Chevron Corp	1.04	11.05	0.11	Gilead Sciences Inc	0.68	-8.68	-0.06
Bristol-Myers Squibb Company	0.64	15.74	0.09	Delta Air Lines Inc	0.19	-24.93	-0.05
Medtronic PLC	0.61	15.69	0.09	CVS Health Corp	0.61	-7.32	-0.05
Merck & Co Inc	0.84	9.78	0.08	Nike Inc B	0.44	-9.94	-0.05
Altria Group Inc	0.68	11.01	0.08	American Airlines Group Inc	0.12	-30.77	-0.04

Selection Effects

Time Period: 4/1/2016 to 6/30/2016



Best Selections	GICS Sector	Weight +/-	Return +/-	Effect	Worst Selections	GICS Sector	Weight +/-	Return +/-	Effect
1 JPMorgan Chase & ...	Financials	0.00	3.58	0.00	1 S&P Global Inc	Financials	-0.05	6.58	-0.01
2 Bank of New York ...	Financials	0.00	3.80	0.00	2 Public Storage	Financials	0.00	-8.78	0.00
3 SunTrust Banks Inc	Financials	0.00	12.35	0.00	3 Equity Residential	Financials	0.00	-9.63	0.00
4 Morgan Stanley	Financials	0.00	2.31	0.00	4 AvalonBay Commu...	Financials	0.00	-6.57	0.00
5 Regions Financial ...	Financials	0.00	6.99	0.00	5 CME Group Inc Cl...	Financials	0.00	-0.09	0.00
6 Discover Financial ...	Financials	0.00	3.64	0.00	6 Berkshire Hathawa...	Financials	0.00	-0.08	0.00
7 Aflac Inc	Financials	0.00	12.83	0.00	7 Progressive Corp	Financials	0.00	-6.80	0.00
8 Comerica Inc	Financials	0.00	7.03	0.00	8 XL Group PLC	Financials	0.00	-11.06	0.00
9 BB&T Corp	Financials	0.00	5.79	0.00	9 Extra Space Storag...	Financials	0.00	-2.23	0.00
10 Northern Trust Corp	Financials	0.00	0.04	0.00	10 General Growth Pr...	Financials	0.00	-1.17	0.00
11 Fifth Third Bancorp	Financials	0.00	4.08	0.00	11 The Hartford Finan...	Financials	0.00	-5.37	0.00
12 Principal Financial ...	Financials	0.00	3.00	0.00	12 UDR Inc	Financials	0.00	-5.56	0.00
13 SL Green Realty C...	Financials	0.00	8.56	0.00	13 Essex Property Trus...	Financials	0.00	-3.90	0.00
14 M&T Bank Corp	Financials	0.00	5.01	0.00	14 Host Hotels & Reso...	Financials	0.00	-3.78	0.00
15 Unum Group	Financials	0.00	1.24	0.00	15 Franklin Resources ...	Financials	0.00	-16.18	0.00

Fidelity S&P 500 Equity Sector Attribution

Contribution/Attribution Detail

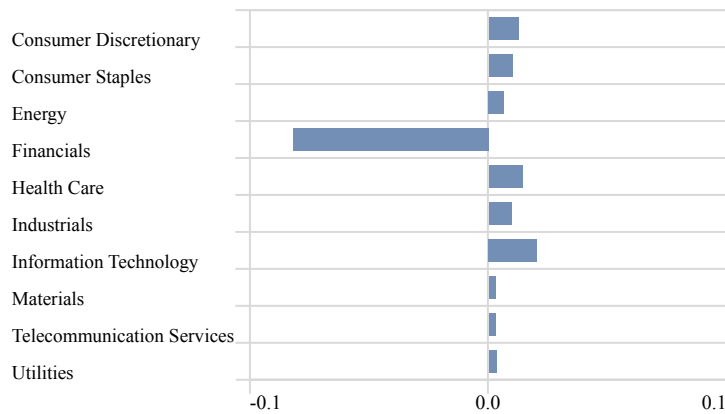
Time Period: 4/1/2016 to 6/30/2016

Portfolio: Fidelity® 500 Index Institutional Calculation Benchmark: S&P 500 TR USD

	Portfolio Weights	Benchmark Weights	Portfolio Return	Benchmark Return	Allocation Effect	Selection Effect	Active Return
Consumer Discretionary	12.51	12.82	-0.98	-0.98	0.00	0.00	0.00
Consumer Staples	9.99	10.23	4.62	4.62	0.00	0.00	0.00
Energy	6.88	7.04	11.61	11.61	0.00	0.00	0.00
Financials	15.58	16.00	2.09	2.13	0.00	-0.01	-0.01
Health Care	14.49	14.85	6.28	6.28	0.00	0.00	0.00
Industrials	9.56	9.79	1.18	1.18	0.00	0.00	0.00
Information Technology	19.80	20.29	-2.86	-2.86	0.00	0.00	0.00
Materials	2.81	2.88	3.67	3.67	0.00	0.00	0.00
Telecommunication Services	2.64	2.71	7.06	7.06	0.00	0.00	0.00
Utilities	3.30	3.38	6.79	6.79	0.00	0.00	0.00
Attribution Total	97.56	99.98	2.42	2.44	0.00	-0.01	-0.01
Cash	1.21	0.00					
Bond	0.06	0.00					
Other	1.10	0.00					
Missing Performance	0.07	0.02					
Total	100.00	100.00					
Reported Total			2.45	2.46			
Expense Ratio			0.01	0.00			
Residual(Reported - Attribution + Expense)			0.04	0.02			

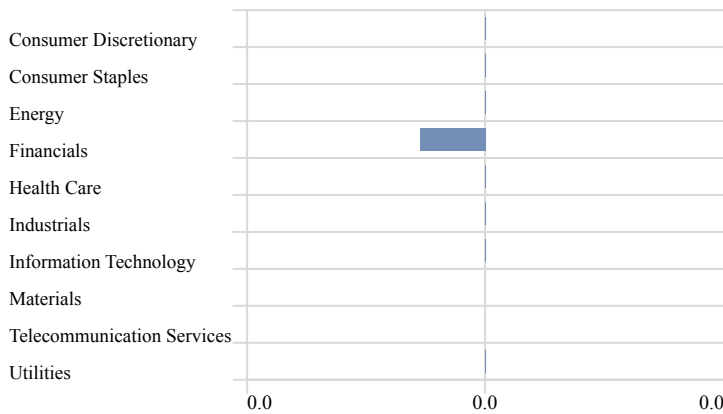
Relative Rescaled Weight

Time Period: 4/1/2016 to 6/30/2016



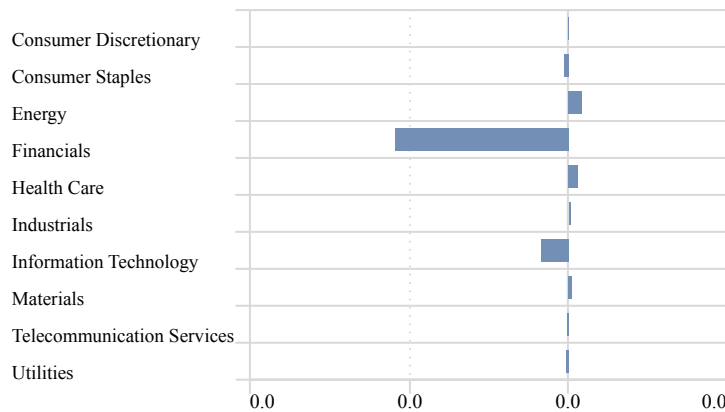
Selection Effect

Time Period: 4/1/2016 to 6/30/2016



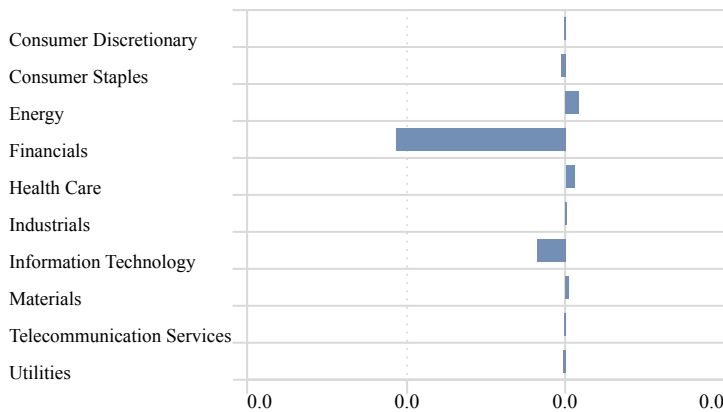
Allocation Effect

Time Period: 4/1/2016 to 6/30/2016

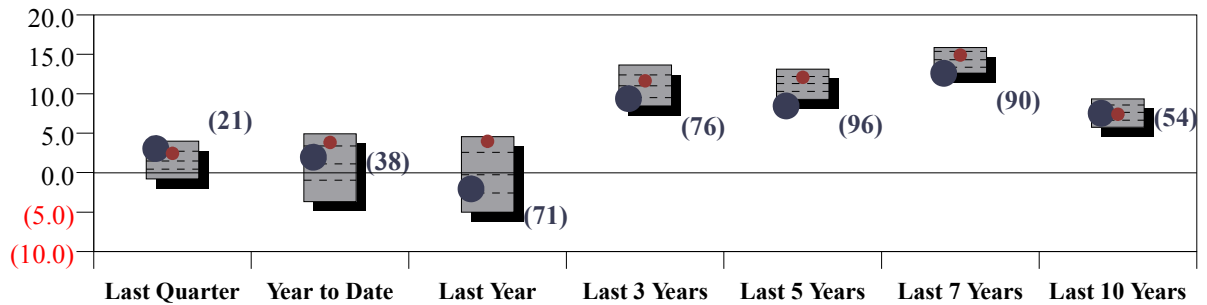


Active Return

Time Period: 4/1/2016 to 6/30/2016



**Fifth Third Bank (Gross)
for Periods Ended June 30, 2016
Group: CAI Large Capitalization**



CAI Large Capitalization

25th Percentile	2.73	3.41	2.57	12.41	12.20	15.39	8.59
Median	1.49	1.10	(0.25)	11.02	11.32	14.34	7.66
75th Percentile	0.47	(0.96)	(2.56)	9.52	10.33	13.40	6.66

Fifth Third Bank (Gross)	●	3.07	1.97	(2.04)	9.40	8.47	12.62	7.54
S&P:500	●	2.46	3.84	3.99	11.66	12.10	14.92	7.42
CAI Large Capitalization		1.49	1.10	(0.25)	11.02	11.32	14.34	7.66

Calendar Year Returns	2007	2008	2009	2010	2011	2012	2013	2014	2015
Fifth Third Bank	17.69 (14)	(31.41) (6)	30.97 (37)	15.01 (48)	0.63 (46)	11.90 (93)	25.95 (99)	11.15 (76)	0.15 (57)
S&P:500	5.49 (54)	(37.00) (52)	26.47 (53)	15.06 (48)	2.11 (30)	16.00 (55)	32.39 (76)	13.69 (31)	1.38 (50)

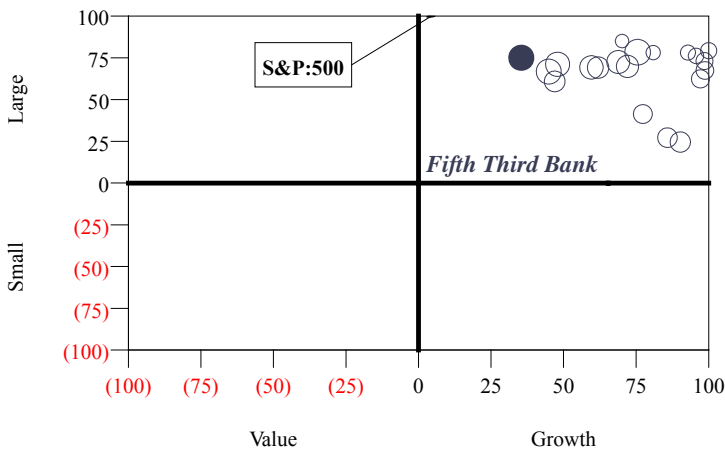
3 YEARS RISK STATISTICS

	Standard Deviation	Alpha	Beta	R-Squared
Fifth Third Bank	8.33	(0.92)	0.90	0.82
S&P:500	8.42	0.00	1.00	1.00
CAI Large Capitalization	9.20	(0.94)	1.04	0.90

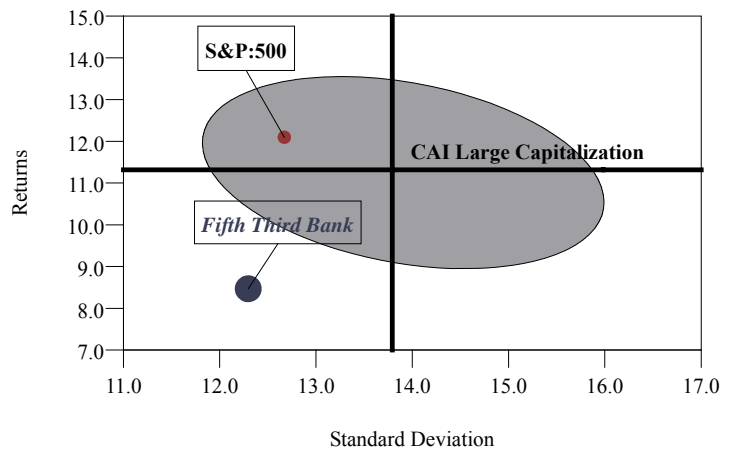
5 YEARS RISK STATISTICS

	Standard Deviation	Alpha	Beta	R-Squared
Fifth Third Bank	12.30	(2.66)	0.94	0.94
S&P:500	12.67	0.00	1.00	1.00
CAI Large Capitalization	13.79	(1.27)	1.05	0.95

Style Map for Rolling 5 Years Ended 6/30/16



Risk vs. Return for 5 Years Ending 6/30/16



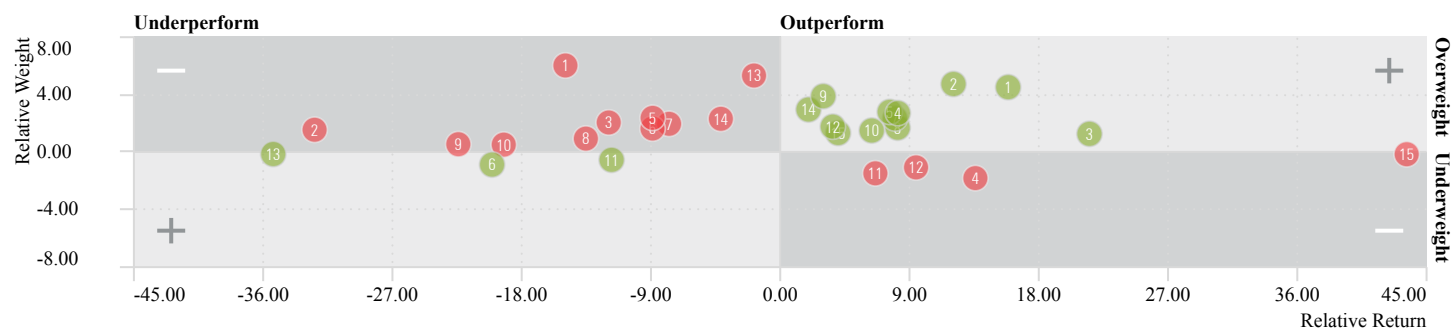
Fifth Third Bank Equity Summary Statistics

Equity Portfolio Characteristics	Fifth Third	S&P 500	Top Ten Holdings		
# of Holdings (Long)	51	505	Calculation Benchmark: SPDR® S&P 500 ETF Portfolio Date: 6/30/2016		
Average Market Cap (mil) (Long)	46,039	76,222	Portfolio Weighting %	Benchmark Weighting %	
Equity Style Factor Div Yld (Long)	2.28	2.28	Gilead Sciences Inc	6.09	0.61
P/E Ratio (TTM) (Long)	17.62	19.97	Monster Beverage Corp	4.73	0.12
P/B Ratio (TTM) (Long)	2.77	2.79	WisdomTree International High Div ETF	4.65	
Debt to Capital % (trailing) (Long)	44.40	41.93	Big Lots Inc	4.51	
Net Margin % (trailing) (Long)	14.67	13.00	Ecolab Inc	3.94	0.17
ROA % (TTM) (Long)	8.77	6.79	Alliant Energy Corp	3.78	0.05
ROE % (TTM)	24.89	21.10	Comcast Corp Class A	3.37	0.86
			Danaher Corp	3.20	0.33
			Amgen Inc	3.02	0.62
			Accenture PLC A	2.78	0.39

Ten Highest Contributors By Position				Ten Lowest Contributors By Position			
Time Period: 4/1/2016 to 6/30/2016				Time Period: 4/1/2016 to 6/30/2016			
	Rescaled Weight	Return	Contribution		Rescaled Weight	Return	Contribution
Monster Beverage Corp	4.59	20.49	0.90	Gilead Sciences Inc	7.13	-8.68	-0.65
Big Lots Inc	4.71	11.08	0.50	Signet Jewelers Ltd	1.58	-33.40	-0.60
Amazon.com Inc	2.63	20.55	0.50	Apple Inc	3.07	-11.75	-0.40
Novartis AG ADR	2.78	13.90	0.38	CVS Health Corp	2.56	-7.32	-0.20
Alliant Energy Corp	3.83	7.80	0.31	SVB Financial Group	2.36	-6.75	-0.16
Ecolab Inc	4.17	6.66	0.28	Alexion Pharmaceuticals Inc	0.83	-16.13	-0.13
Comcast Corp Class A	3.51	7.21	0.25	Regal Beloit Corp	0.92	-12.35	-0.12
Medtronic PLC	1.50	15.69	0.23	WisdomTree International High Div ETF	5.30	-1.40	-0.07
Danaher Corp	3.36	6.70	0.23	Biogen Inc	1.01	-7.11	-0.07
SBA Communications Corp	2.77	7.76	0.22	MasterCard Inc A	0.94	-6.63	-0.06

Stock Selection Effects

Time Period: 4/1/2016 to 6/30/2016



Best Selections					Worst Selections						
	GICS Sector	Weight +/-	Return +/-	Effect		GICS Sector	Weight +/-	Return +/-	Effect		
1	Monster Beverage ...	Consumer Staples	4.49	15.87	0.65	1	Gilead Sciences Inc	Health Care	6.00	-14.96	-0.93
2	Big Lots Inc	Consumer Discretio...	4.71	12.06	0.55	2	Signet Jewelers Ltd	Consumer Discretio...	1.54	-32.42	-0.57
3	Amazon.com Inc	Consumer Discretio...	1.26	21.53	0.26	3	CVS Health Corp	Consumer Staples	2.04	-11.94	-0.25
4	Comcast Corp Clas...	Consumer Discretio...	2.70	8.19	0.22	4	Pfizer Inc	Health Care	-1.82	13.59	-0.23
5	Novartis AG ADR	Health Care	2.78	7.62	0.20	5	SVB Financial Group	Financials	2.36	-8.88	-0.20
6	Allergan PLC	Health Care	-0.88	-20.06	0.20	6	Apple Inc	Information Techno...	1.62	-8.89	-0.16
7	Allegion PLC	Industrials	2.32	7.99	0.18	7	Celgene Corp	Health Care	1.95	-7.74	-0.15
8	Chubb Ltd	Financials	1.68	8.18	0.14	8	Regal Beloit Corp	Industrials	0.92	-13.53	-0.13
9	Ecolab Inc	Materials	3.87	3.00	0.11	9	Alexion Pharmaceu...	Health Care	0.53	-22.41	-0.12
10	Vanguard REIT ETF	Unclassified	1.48	6.37	0.09	10	Phillips 66	Energy	0.50	-19.25	-0.10
11	Abbott Laboratories	Health Care	-0.55	-11.74	0.07	11	Johnson & Johnson	Health Care	-1.49	6.62	-0.10
12	East West Bancorp ...	Financials	1.75	3.66	0.07	12	Bristol-Myers Squi...	Health Care	-1.08	9.46	-0.09
13	Perrigo Co PLC	Health Care	-0.15	-35.30	0.06	13	WisdomTree Intern...	Unclassified	5.30	-1.83	-0.09
14	Accenture PLC A	Information Techno...	2.94	1.97	0.06	14	Amgen Inc	Health Care	2.30	-4.13	-0.09
15	International Busin...	Information Techno...	1.31	4.03	0.05	15	Newmont Mining C...	Materials	-0.16	43.62	-0.06

Fifth Third Bank Equity Sector Attribution

Contribution/Attribution Detail

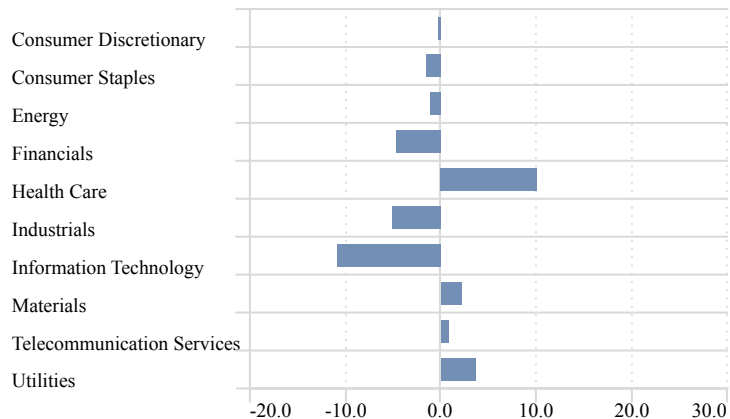
Time Period: 4/1/2016 to 6/30/2016

Portfolio: Fifth Third (VEBA) Calculation Benchmark: S&P 500 TR USD

	Portfolio Weights	Benchmark Weights	Portfolio Return	Benchmark Return	Allocation Effect	Selection Effect	Active Return
Consumer Discretionary	11.47	12.82	5.30	-0.98	0.01	0.78	0.79
Consumer Staples	8.05	10.23	8.85	4.62	-0.03	0.35	0.32
Energy	5.46	7.04	7.65	11.61	-0.09	-0.22	-0.31
Financials	10.53	16.00	1.86	2.13	0.01	-0.02	0.00
Health Care	22.94	14.85	1.32	6.28	0.39	-1.22	-0.83
Industrials	4.39	9.79	2.32	1.18	0.06	0.06	0.12
Information Technology	8.76	20.29	-5.25	-2.86	0.58	-0.24	0.34
Materials	4.67	2.88	6.39	3.67	0.03	0.14	0.16
Telecommunication Services	3.26	2.71	8.60	7.06	0.04	0.05	0.09
Utilities	6.45	3.38	6.74	6.79	0.16	-0.01	0.15
Unclassified	6.26	0.00	0.43		-0.14	0.00	-0.14
Attribution Total	92.23	99.98	3.13	2.44	1.02	-0.32	0.69
Cash	7.77	0.00					
Missing Performance	0.00	0.02					
Total	100.00	100.00					
Reported Total			3.07	2.46			
Residual(Reported - Attribution Total)			-0.05	0.02			

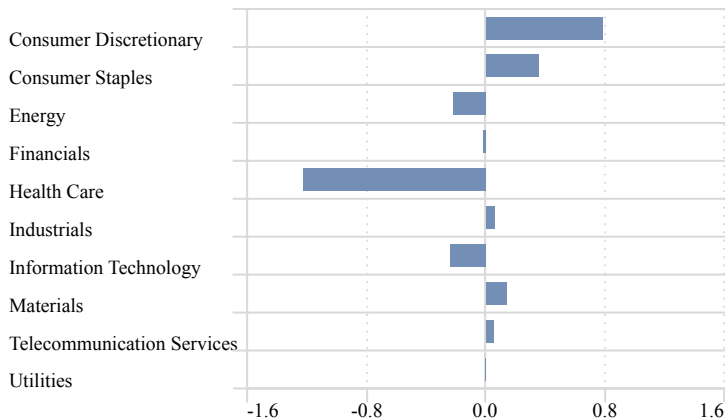
Relative Rescaled Weight

Time Period: 4/1/2016 to 6/30/2016



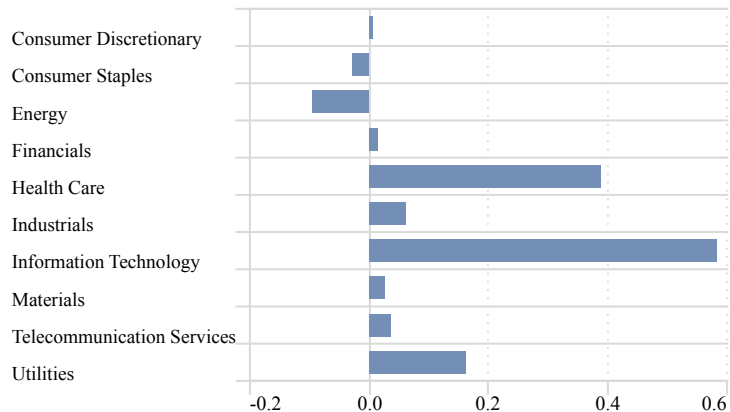
Selection Effect

Time Period: 4/1/2016 to 6/30/2016



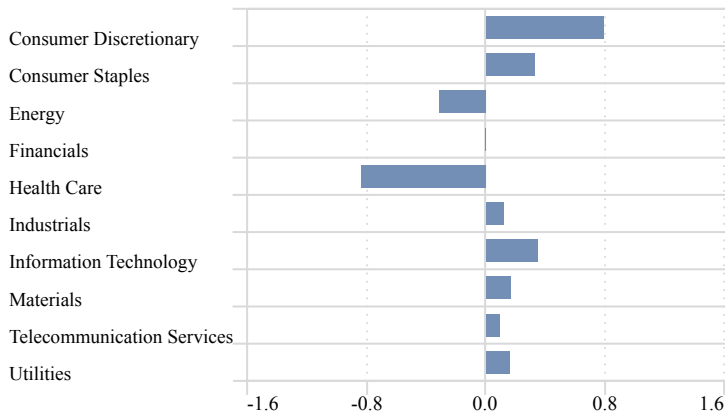
Allocation Effect

Time Period: 4/1/2016 to 6/30/2016

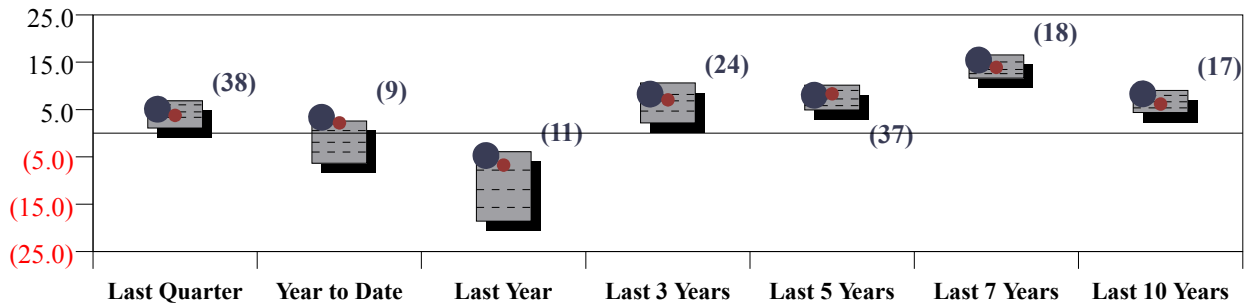


Active Return

Time Period: 4/1/2016 to 6/30/2016



Ivy Small Cap Growth
for Periods Ended June 30, 2016
Group: CAI Small Cap Growth Mutual Funds



CAI Small Cap Growth MFs

25th Percentile	6.03	0.59	(7.76)	8.23	9.07	15.06	8.03
Median	4.52	(1.88)	(11.92)	6.87	7.28	13.51	6.68
75th Percentile	3.39	(3.96)	(15.64)	4.67	5.85	12.58	5.38
Ivy Small Cap Growth	5.08	3.38	(4.69)	8.29	8.04	15.46	8.35
Russell:2000 Index	3.79	2.22	(6.73)	7.09	8.35	13.94	6.20
Russell:2000 Growth	3.24	(1.59)	(10.75)	7.74	8.51	14.29	7.14

Calendar Year Returns	2007	2008	2009	2010	2011	2012	2013	2014	2015
Ivy Small Cap Growth	7.94 (66)	(37.61) (12)	43.52 (32)	35.46 (9)	(4.81) (65)	15.52 (33)	41.32 (73)	3.80 (35)	(1.90) (37)
Russell:2000 Growth	7.05 (68)	(38.54) (16)	34.47 (59)	29.09 (39)	(2.91) (51)	14.59 (40)	43.30 (61)	5.60 (26)	(1.38) (33)

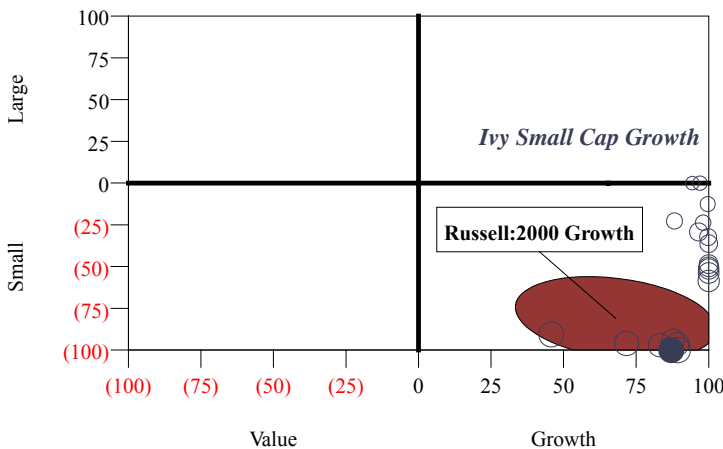
3 YEARS RISK STATISTICS

	Standard Deviation	Alpha	Beta	R-Squared
Ivy Small Cap Growth	13.35	1.25	0.89	0.96
Russell:2000 Growth	14.62	0.00	1.00	1.00
CAI Small Cap Growth MFs	14.85	(0.53)	0.97	0.92

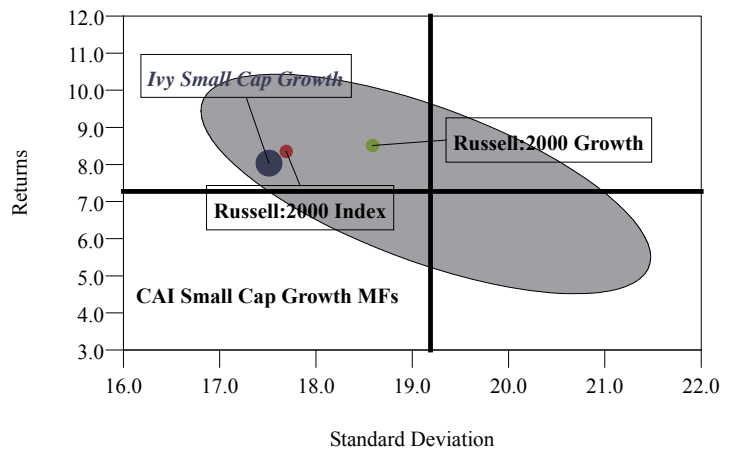
5 YEARS RISK STATISTICS

	Standard Deviation	Alpha	Beta	R-Squared
Ivy Small Cap Growth	17.51	0.11	0.92	0.96
Russell:2000 Growth	18.59	0.00	1.00	1.00
CAI Small Cap Growth MFs	19.19	(1.54)	1.01	0.95

Style Map for Rolling 5 Years Ended 6/30/16



Risk vs. Return for 5 Years Ending 6/30/16



Ivy Small Cap Equity Summary Statistics

Equity Portfolio Characteristics

	Ivy Small Cap	Russell 2000 Growth
# of Holdings (Long)	85	1,173
Average Market Cap (mil) (Long)	2,498	1,634
Equity Style Factor Div Yld (Long)	1.04	0.96
P/E Ratio (TTM) (Long)	27.42	25.27
P/B Ratio (TTM) (Long)	3.67	3.77
Debt to Capital % (trailing) (Long)	31.60	41.50
Net Margin % (trailing) (Long)	3.84	4.24
ROA % (TTM) (Long)	3.36	0.19
ROE % (TTM)	13.59	7.95

Ten Highest Contributors By Position

Time Period: 4/1/2016 to 6/30/2016

	Rescaled Weight	Return	Contribution
AMN Healthcare Services Inc	3.16	18.92	0.58
LDR Holding Corp	1.15	44.96	0.55
Tyler Technologies Inc	1.85	29.62	0.50
Dave & Buster's Entertainment Inc	1.84	20.65	0.39
DexCom Inc	2.08	16.82	0.37
The Ultimate Software Group Inc	4.00	8.68	0.34
Nevro Corp	1.24	31.11	0.34
Paycom Software Inc	1.68	21.38	0.34
Diamondback Energy Inc	1.61	18.18	0.27
RE/MAX Holdings Inc Class A	1.59	17.83	0.27

Top Ten Holdings

Calculation Benchmark: iShares Russell 2000 Growth Portfolio Date: 6/30/2016

	Portfolio Weighting %	Benchmark Weighting %
The Ultimate Software Group Inc	4.19	
Vail Resorts Inc	3.74	
AMN Healthcare Services Inc	3.52	0.23
Watsco Inc	3.04	
Pool Corp	2.34	
SVB Financial Group	2.32	
Jack Henry & Associates Inc	2.22	
Dave & Buster's Entertainment Inc	2.19	0.21
Manhattan Associates Inc	2.19	
Booz Allen Hamilton Holding Corp	2.19	

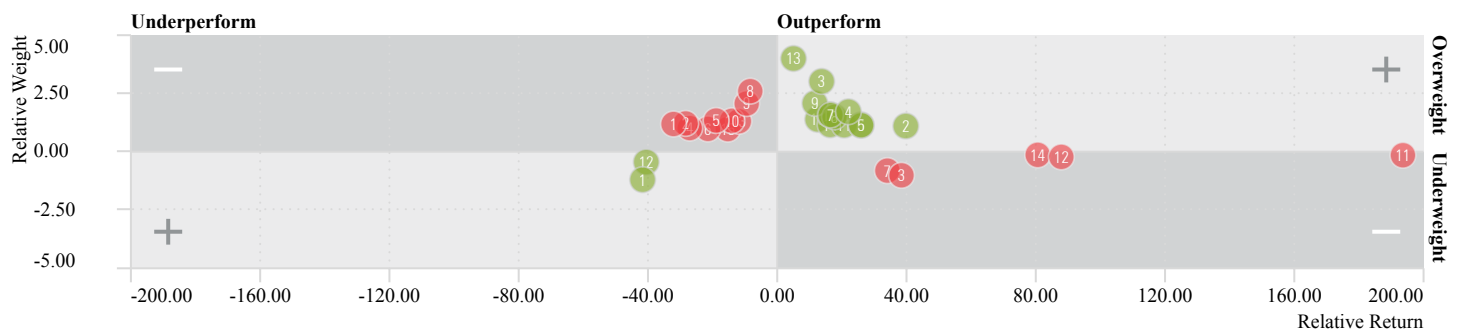
Ten Lowest Contributors By Position

Time Period: 4/1/2016 to 6/30/2016

	Rescaled Weight	Return	Contribution
Fiesta Restaurant Group Inc	1.30	-33.47	-0.48
MACOM Technology Solutions Holdings Inc	1.35	-24.69	-0.37
Covenant Transportation Group Inc Class A	1.04	-25.30	-0.30
Sonic Corp	1.15	-22.82	-0.28
Monro Muffler Brake Inc	2.38	-10.82	-0.28
Oxford Industries Inc	1.47	-15.41	-0.23
CACI International Inc Class A	1.34	-15.27	-0.22
Bank of the Ozarks Inc	1.90	-10.28	-0.20
SVB Financial Group	2.60	-6.75	-0.17
WisdomTree Investments Inc	1.22	-13.70	-0.17

Stock Selection Effects

Time Period: 4/1/2016 to 6/30/2016



Best Selections	GICS Sector	Weight +/-	Return +/-	Effect	Worst Selections	GICS Sector	Weight +/-	Return +/-	Effect
1 Western Refining Inc	Energy	-1.20	-41.66	0.55	1 Fiesta Restaurant G...	Consumer Discretio...	1.19	-32.09	-0.42
2 LDR Holding Corp	Health Care	1.10	39.78	0.46	2 MACOM Technolo...	Information Techno...	1.21	-28.33	-0.38
3 AMN Healthcare S...	Health Care	3.02	13.75	0.40	3 US Silica Holdings ...	Energy	-1.01	38.45	-0.36
4 Dave & Buster's En...	Consumer Discretio...	1.72	22.03	0.39	4 Covenant Transport...	Industrials	1.01	-27.07	-0.31
5 Tyler Technologies ...	Information Techno...	1.13	25.98	0.27	5 CACI International ...	Information Techno...	1.34	-18.91	-0.27
6 Nevro Corp	Health Care	1.15	25.93	0.27	6 Sonic Corp	Consumer Discretio...	0.98	-21.44	-0.23
7 Core-Mark Holding...	Consumer Discretio...	1.57	16.51	0.26	7 Semgroup Corp	Energy	-0.81	34.08	-0.22
8 Paycom Software Inc	Information Techno...	1.50	17.73	0.25	8 SVB Financial Group	Financials	2.60	-8.34	-0.21
9 DexCom Inc	Health Care	2.08	11.64	0.25	9 Monro Muffler Bra...	Consumer Discretio...	2.07	-9.45	-0.21
10 RE/MAX Holdings ...	Financials	1.59	16.24	0.24	10 Oxford Industries Inc	Consumer Discretio...	1.33	-14.04	-0.19
11 Mercury Systems Inc	Industrials	1.14	20.69	0.23	11 Fairmount Santrol ...	Energy	-0.15	193.61	-0.19
12 Cavium Inc	Information Techno...	-0.44	-40.53	0.21	12 Demandware Inc	Information Techno...	-0.22	87.91	-0.17
13 The Ultimate Softw...	Information Techno...	4.00	5.03	0.20	13 Bank of the Ozarks ...	Financials	1.31	-11.87	-0.16
14 Rush Enterprises In...	Industrials	1.15	16.38	0.18	14 Anacor Pharmaceut...	Health Care	-0.14	80.61	-0.15
15 PrivateBancorp Inc	Financials	1.39	12.50	0.17	15 WisdomTree Invest...	Financials	0.97	-15.29	-0.15

Ivy Small Cap Equity Sector Attribution

Contribution/Attribution Detail

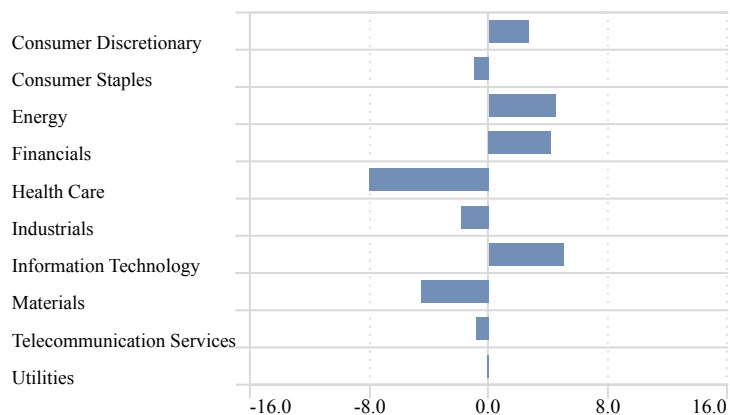
Time Period: 4/1/2016 to 6/30/2016

Portfolio: Ivy Small Cap Growth I Calculation Benchmark: iShares Russell 2000 Growth

	Portfolio Weights	Benchmark Weights	Portfolio Return	Benchmark Return	Allocation Effect	Selection Effect	Active Return
Consumer Discretionary	19.71	17.47	-1.33	-1.38	-0.13	0.01	-0.12
Consumer Staples	2.47	3.46	10.77	9.39	-0.06	0.03	-0.03
Energy	5.36	1.04	13.47	13.56	0.45	-0.02	0.44
Financials	12.32	8.44	-1.31	1.59	-0.06	-0.36	-0.42
Health Care	15.95	24.35	16.33	5.17	-0.15	1.77	1.62
Industrials	11.95	14.00	4.78	1.77	0.03	0.37	0.40
Information Technology	29.54	25.26	4.86	3.65	0.02	0.37	0.39
Materials	0.00	4.48		7.68	-0.20	0.00	-0.20
Telecommunication Services	0.00	0.85		9.77	-0.06	0.00	-0.06
Utilities	0.00	0.12		11.72	-0.01	0.00	-0.01
Attribution Total	97.30	99.46	5.23	3.21	-0.17	2.19	2.02
Cash	0.00	0.14					
Bond	0.21	0.00					
Other	2.58	0.06					
Missing Performance	0.00	0.34					
Total	100.09	100.00					
Reported Total			5.12	3.26			
Expense Ratio			0.28	0.06			
Residual(Reported - Attribution + Expense)			0.17	0.12			

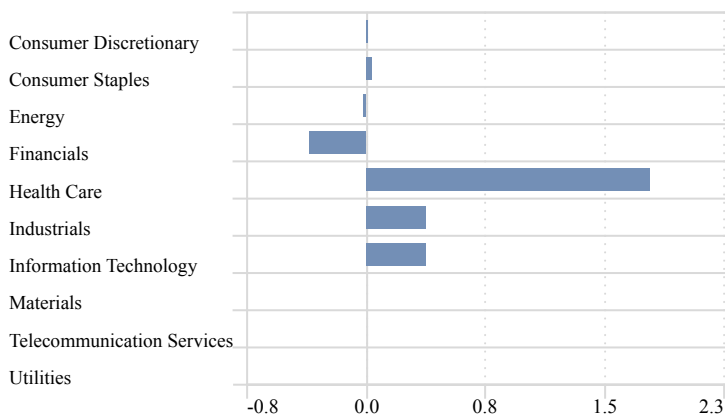
Relative Rescaled Weight

Time Period: 4/1/2016 to 6/30/2016



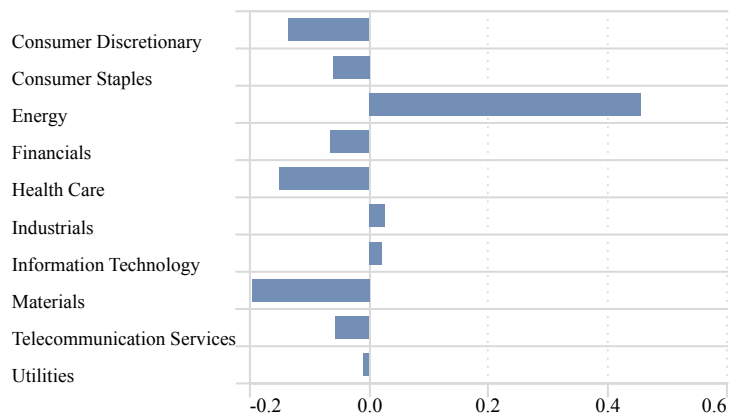
Selection Effect

Time Period: 4/1/2016 to 6/30/2016



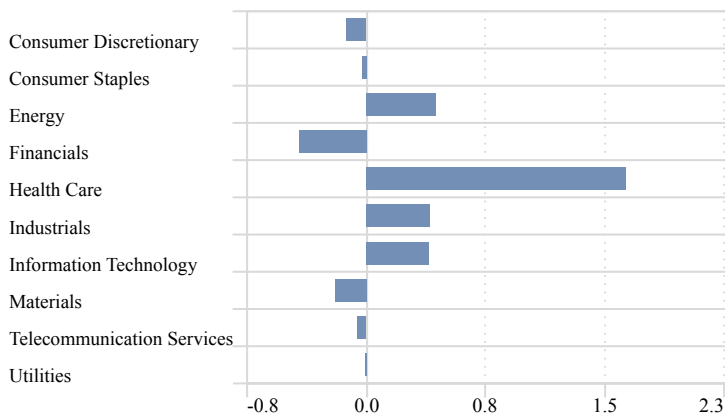
Allocation Effect

Time Period: 4/1/2016 to 6/30/2016

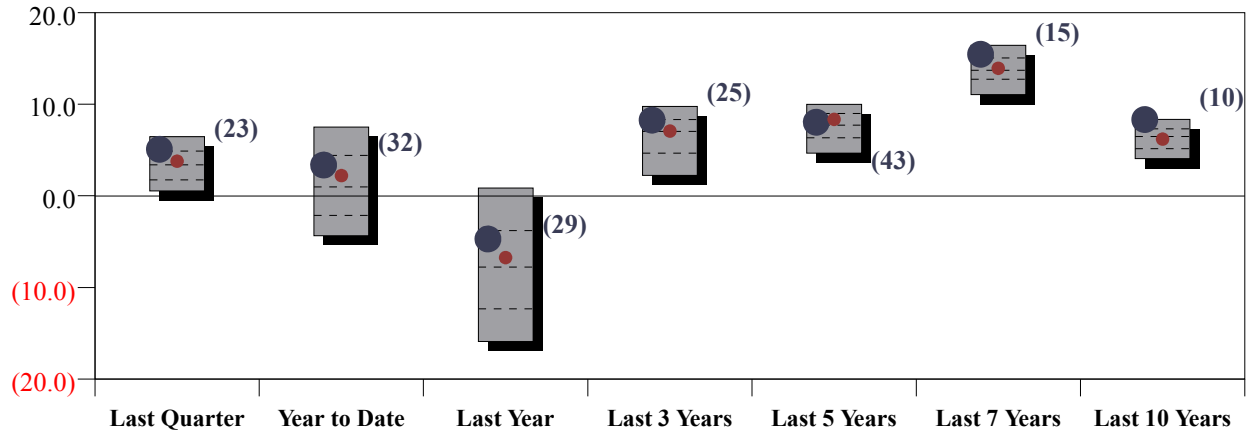


Active Return

Time Period: 4/1/2016 to 6/30/2016



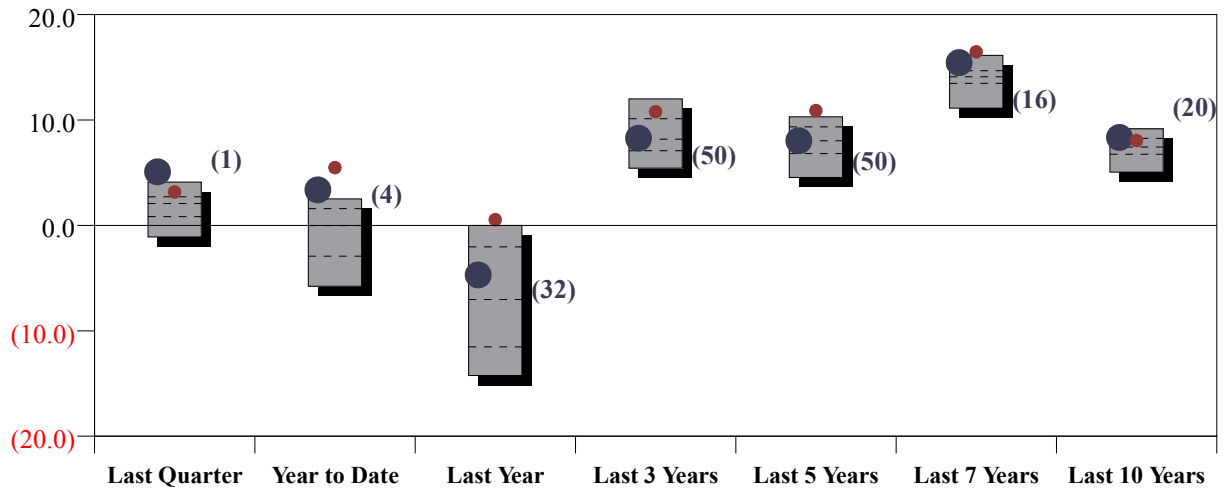
**Ivy Small Cap Growth
for Periods Ended June 30, 2016
Group: CAI Small Cap Mutual Funds**



CAI Small Cap MFs

	Last Quarter	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
25th Percentile	4.89	4.42	(3.77)	8.34	9.01	15.06	7.33
Median	3.39	0.99	(7.76)	7.04	7.73	13.72	6.50
75th Percentile	1.76	(2.12)	(12.32)	4.67	6.34	12.74	5.15
Ivy Small Cap Growth ●	5.08	3.38	(4.69)	8.29	8.04	15.46	8.35
Russell:2000 Index ●	3.79	2.22	(6.73)	7.09	8.35	13.94	6.20
Russell:2000 Growth	3.24	(1.59)	(10.75)	7.74	8.51	14.29	7.14

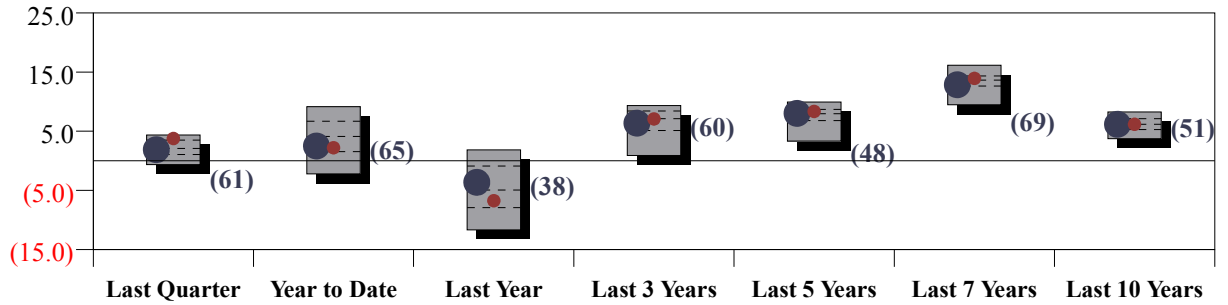
**for Periods Ended June 30, 2016
Group: CAI Mid Cap Growth Mutual Funds**



CAI Mid Cap Growth MFs

	Last Quarter	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
25th Percentile	2.72	1.60	(2.03)	10.14	9.35	14.69	8.27
Median	2.08	0.00	(7.02)	8.18	8.05	14.11	7.43
75th Percentile	0.85	(2.90)	(11.53)	7.10	6.81	13.49	6.77
Ivy Small Cap Growth ●	5.08	3.38	(4.69)	8.29	8.04	15.46	8.35
Russell:Midcap Index ●	3.18	5.50	0.56	10.80	10.90	16.47	8.07
Russell:Midcap Growth	1.56	2.15	(2.14)	10.52	9.98	15.82	8.12

**Diamond Hill Small Cap
for Periods Ended June 30, 2016
Group: CAI Small Cap Value Mutual Funds**



CAI Small Cap Value MFs

25th Percentile	3.52	6.71	(0.85)	8.44	8.71	14.37	7.12
Median	2.10	4.14	(4.93)	7.12	7.96	13.65	6.20
75th Percentile	1.10	1.59	(7.90)	5.15	6.79	12.65	5.31

<i>Diamond Hill Small Cap</i>	1.91	2.53	(3.63)	6.38	8.04	12.87	6.19
Russell:2000 Index	3.79	2.22	(6.73)	7.09	8.35	13.94	6.20
Russell:2000 Value	4.31	6.08	(2.58)	6.36	8.15	13.53	5.15

Calendar Year Returns	2007	2008	2009	2010	2011	2012	2013	2014	2015
Diamond Hill Small Cap	(3.41) (60)	(25.69) (7)	29.43 (62)	23.39 (67)	(6.91) (74)	13.17 (64)	40.08 (22)	4.86 (38)	(3.47) (31)
Russell:2000 Value	(9.78) (80)	(28.92) (23)	20.58 (94)	24.50 (54)	(5.50) (63)	18.05 (28)	34.52 (59)	4.22 (45)	(7.47) (65)

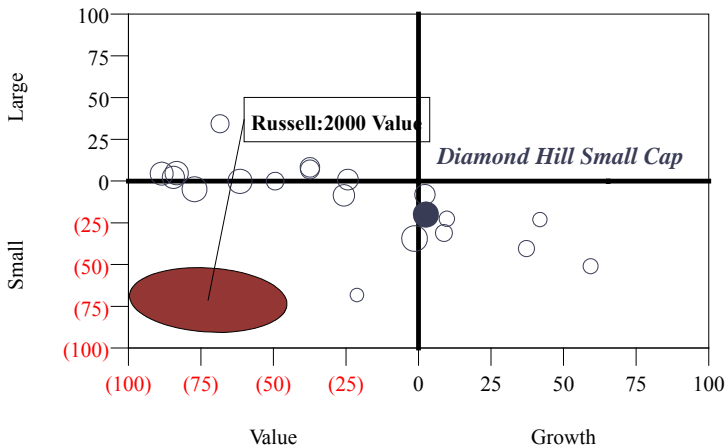
3 YEARS RISK STATISTICS

	Standard Deviation	Alpha	Beta	R-Squared
<i>Diamond Hill Small Cap</i>	8.75	2.36	0.61	0.75
Russell:2000 Value	12.49	0.00	1.00	1.00
CAI Small Cap Value MFs	11.87	1.07	0.89	0.86

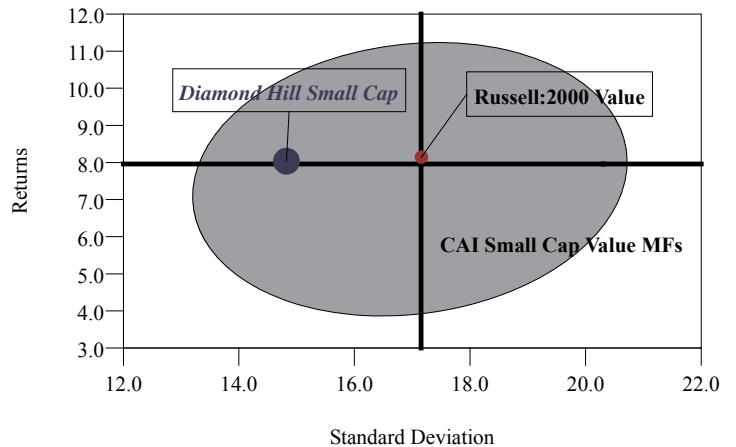
5 YEARS RISK STATISTICS

	Standard Deviation	Alpha	Beta	R-Squared
<i>Diamond Hill Small Cap</i>	14.82	1.32	0.81	0.87
Russell:2000 Value	17.16	0.00	1.00	1.00
CAI Small Cap Value MFs	17.15	(0.15)	0.96	0.93

Style Map for Rolling 5 Years Ended 6/30/16



Risk vs. Return for 5 Years Ending 6/30/16



Diamond Hill Small Cap Equity Summary Statistics

Equity Portfolio Characteristics

	Diamond Hill	Russell 2000 Value
# of Holdings (Long)	74	1,361
Average Market Cap (mil) (Long)	2,853	1,321
Equity Style Factor Div Yld (Long)	1.35	2.71
P/E Ratio (TTM) (Long)	13.52	16.59
P/B Ratio (TTM) (Long)	1.66	1.34
Debt to Capital % (trailing) (Long)	47.52	37.82
Net Margin % (trailing) (Long)	8.73	7.94
ROA % (TTM) (Long)	1.78	0.75
ROE % (TTM)	12.34	4.33

Top Ten Holdings

Calculation Benchmark: iShares Russell 2000 Value Portfolio Date: 6/30/2016

	Portfolio Weighting %	Benchmark Weighting %
Avis Budget Group Inc	5.13	
Navigators Group Inc	2.93	0.13
Brown & Brown Inc	2.87	
DST Systems Inc	2.81	
Alere Inc	2.31	
Cimarex Energy Co	2.21	
Popular Inc	2.15	
Vail Resorts Inc	2.14	
B&G Foods Inc	2.04	
Live Nation Entertainment Inc	2.03	

Ten Highest Contributors By Position

Time Period: 4/1/2016 to 6/30/2016

	Rescaled Weight	Return	Contribution
Avis Budget Group Inc	5.64	17.80	1.04
B&G Foods Inc	2.36	39.72	0.83
Cimarex Energy Co	2.57	23.53	0.55
Post Holdings Inc	1.99	20.24	0.39
Navigators Group Inc	3.53	9.77	0.35
Concordia International Corp	0.78	13.67	0.32
UGI Corp	2.26	12.93	0.29
Broadridge Financial Solutions Inc	2.15	10.45	0.22
CommScope Holding Co Inc	2.04	11.14	0.21
Brown & Brown Inc	3.52	5.03	0.18

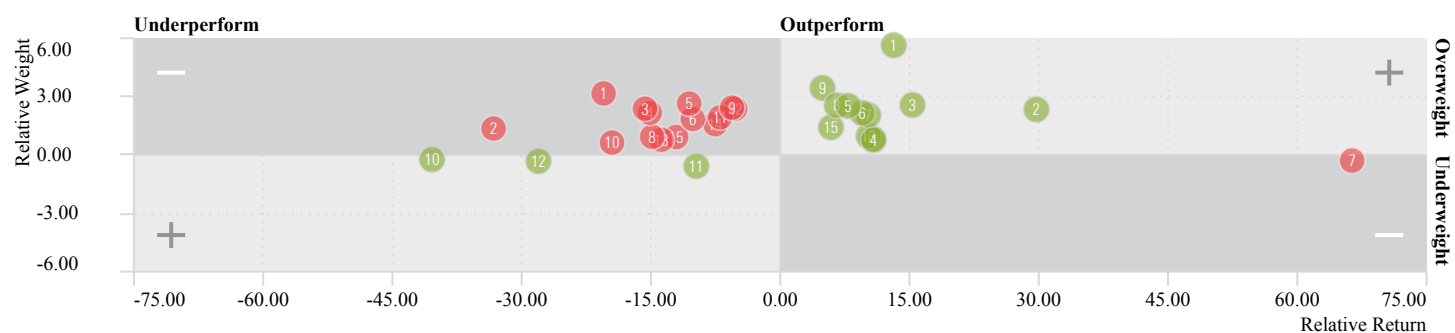
Ten Lowest Contributors By Position

Time Period: 4/1/2016 to 6/30/2016

	Rescaled Weight	Return	Contribution
Alere Inc	3.16	-17.64	-0.63
Alaska Air Group Inc	1.36	-28.63	-0.44
Aircastle Ltd	2.68	-11.05	-0.31
Aaron's Inc	1.85	-12.70	-0.25
BankUnited Inc	2.16	-10.27	-0.24
Tenneco Inc	1.94	-9.51	-0.19
Hub Group Inc Class A	2.67	-5.93	-0.16
Rovi Corp	0.49	-23.74	-0.13
Hyster-Yale Materials Handling Inc Class A	1.03	-10.24	-0.11
The Brink's Co	0.63	-14.89	-0.10

Stock Selection Effects

Time Period: 4/1/2016 to 6/30/2016



Best Selections	GICS Sector	Weight +/-	Return +/-	Effect	Worst Selections	GICS Sector	Weight +/-	Return +/-	Effect
1 Avis Budget Group ...	Industrials	5.64	13.17	0.79	1 Alere Inc	Health Care	3.16	-20.49	-0.76
2 B&G Foods Inc	Consumer Staples	2.34	29.72	0.59	2 Alaska Air Group Inc	Industrials	1.36	-33.26	-0.51
3 Cimarex Energy Co	Energy	2.57	15.35	0.37	3 Aircastle Ltd	Industrials	2.37	-15.68	-0.39
4 Concordia Internati...	Health Care	0.78	10.83	0.23	4 BankUnited Inc	Financials	2.16	-15.14	-0.34
5 Live Nation Enterta...	Consumer Discretio...	2.52	7.89	0.20	5 Hub Group Inc Clas...	Industrials	2.64	-10.56	-0.29
6 Broadridge Financi...	Information Techno...	2.15	9.53	0.20	6 Aaron's Inc	Consumer Discretio...	1.85	-10.15	-0.20
7 CommScope Holdi...	Information Techno...	2.04	10.22	0.19	7 Dreamworks Anima...	Consumer Discretio...	-0.29	66.36	-0.16
8 Vail Resorts Inc	Consumer Discretio...	2.55	6.56	0.18	8 Hyster-Yale Materi...	Industrials	0.93	-14.87	-0.15
9 Navigators Group Inc	Financials	3.44	4.90	0.18	9 iStar Inc	Financials	2.43	-5.59	-0.14
10 Abercrombie & Fit...	Consumer Discretio...	-0.23	-40.40	0.12	10 The Brink's Co	Industrials	0.63	-19.52	-0.13
11 Owens & Minor Inc	Health Care	-0.58	-9.74	0.10	11 Tenneco Inc	Consumer Discretio...	1.94	-6.96	-0.13
12 SUPERVALU Inc	Consumer Staples	-0.32	-28.05	0.10	12 Enstar Group Ltd	Financials	2.37	-5.23	-0.13
13 Post Holdings Inc	Consumer Staples	0.97	10.25	0.09	13 Winthrop Realty Tr...	Financials	0.78	-13.78	-0.12
14 BOK Financial Corp	Financials	0.82	10.76	0.08	14 Flowers Foods Inc	Consumer Staples	1.58	-7.55	-0.12
15 Alleghany Corp	Financials	1.42	5.89	0.08	15 Colfax Corp	Industrials	0.92	-12.08	-0.12

Diamond Hill Small Cap Equity Sector Attribution

Contribution/Attribution Detail

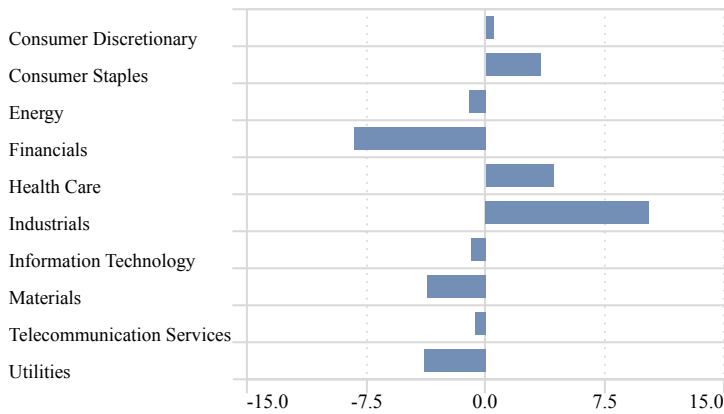
Time Period: 4/1/2016 to 6/30/2016

Portfolio: Diamond Hill Small Cap I Calculation Benchmark: iShares Russell 2000 Value

	Portfolio Weights	Benchmark Weights	Portfolio Return	Benchmark Return	Allocation Effect	Selection Effect	Active Return
Consumer Discretionary	8.03	9.65	-1.39	-2.55	-0.03	0.12	0.09
Consumer Staples	5.55	3.61	20.17	10.00	0.19	0.66	0.84
Energy	2.62	4.35	21.59	8.17	-0.05	0.42	0.37
Financials	27.34	42.74	2.48	4.87	0.01	-0.81	-0.80
Health Care	6.64	4.16	-0.66	2.85	0.03	-0.66	-0.63
Industrials	17.48	11.97	-0.07	4.63	-0.03	-1.05	-1.08
Information Technology	7.58	10.52	4.74	0.92	0.08	0.33	0.41
Materials	0.00	3.63		19.88	-0.53	0.00	-0.53
Telecommunication Services	0.11	0.78	18.09	8.67	-0.02	0.03	0.01
Utilities	3.03	7.67	10.83	10.09	-0.20	0.02	-0.18
Attribution Total	78.38	99.07	3.39	4.88	-0.55	-0.94	-1.49
Cash	19.56	0.13					
Other	0.00	0.54					
Missing Performance	2.05	0.28					
Total	100.00	100.02					
Reported Total			1.91				
Expense Ratio			0.26	0.00			
Residual(Reported - Attribution + Expense)			-1.22				

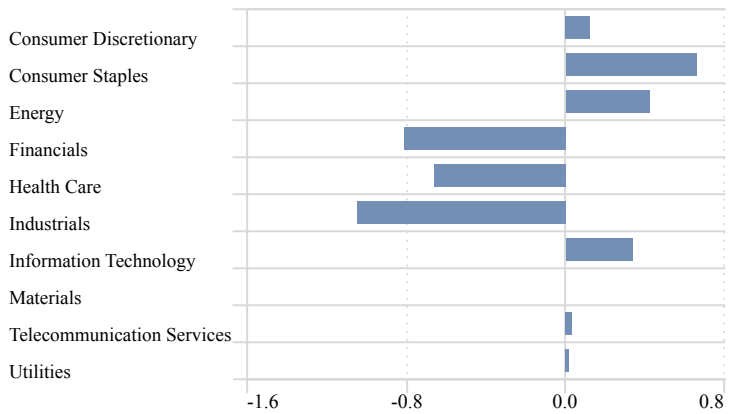
Relative Rescaled Weight

Time Period: 4/1/2016 to 6/30/2016



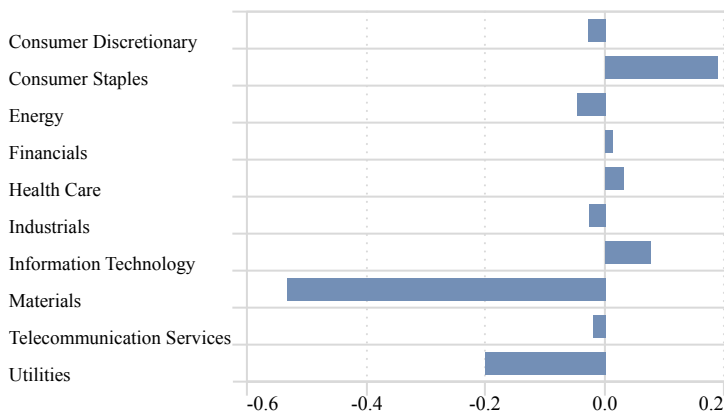
Selection Effect

Time Period: 4/1/2016 to 6/30/2016



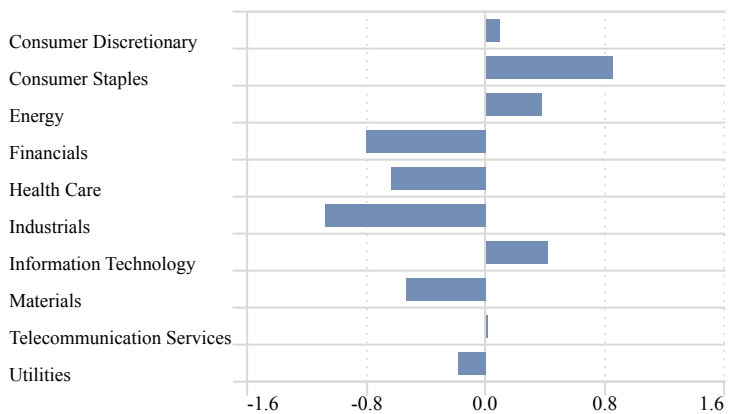
Allocation Effect

Time Period: 4/1/2016 to 6/30/2016

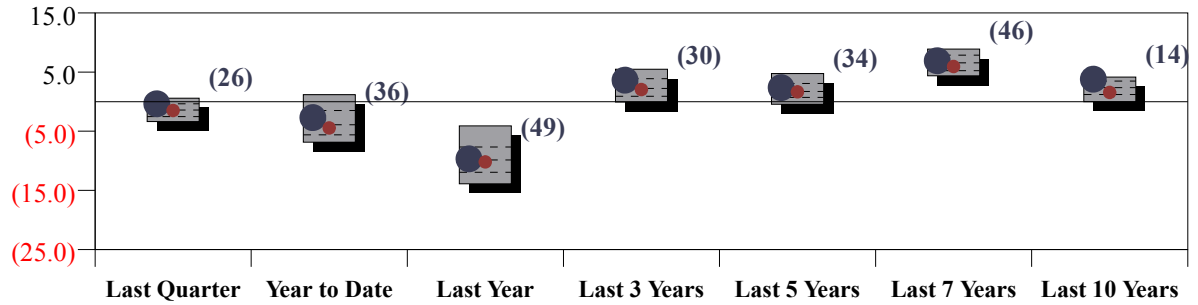


Active Return

Time Period: 4/1/2016 to 6/30/2016



**American Funds EuPc;F-2
for Periods Ended June 30, 2016
Group: CAI Non US Equity Mutual Funds**



CAI Non US Equity MFs

25th Percentile	(0.33)	(1.48)	(7.66)	3.90	3.09	7.87	3.50
Median	(1.43)	(3.88)	(9.85)	2.25	1.73	6.58	2.38
75th Percentile	(2.52)	(5.59)	(11.94)	0.94	0.72	5.23	1.20

American Funds EuPc;F-2	●	(0.34)	(2.67)	(9.67)	3.66	2.40	6.93	3.82
MSCI:EAFE	●	(1.46)	(4.42)	(10.16)	2.06	1.68	5.97	1.58
CAI Non US Equity MFs		(1.43)	(3.88)	(9.85)	2.25	1.73	6.58	2.38

Calendar Year Returns	2007	2008	2009	2010	2011	2012	2013	2014	2015
American Funds EuPc;F-2	18.95 (14)	(40.51) (18)	39.47 (19)	9.67 (57)	(13.36) (46)	19.54 (44)	20.44 (58)	(2.41) (23)	(0.57) (55)
MSCI:EAFE	11.17 (57)	(43.38) (46)	31.78 (48)	7.75 (73)	(12.14) (35)	17.32 (70)	22.78 (38)	(4.90) (38)	(0.81) (60)

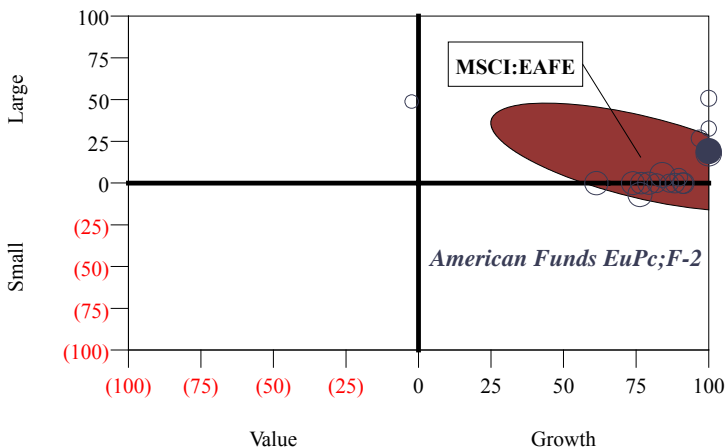
3 YEARS RISK STATISTICS

	Standard Deviation	Alpha	Beta	R-Squared
American Funds EuPc;F-2	10.70	1.77	0.88	0.95
MSCI:EAFE	11.87	0.00	1.00	1.00
CAI Non US Equity MFs	11.59	0.30	0.92	0.94

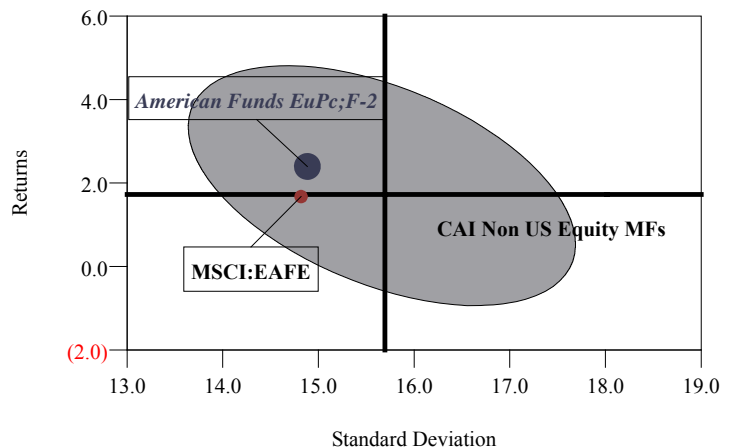
5 YEARS RISK STATISTICS

	Standard Deviation	Alpha	Beta	R-Squared
American Funds EuPc;F-2	14.89	0.77	0.99	0.97
MSCI:EAFE	14.82	0.00	1.00	1.00
CAI Non US Equity MFs	15.70	0.13	1.03	0.95

Style Map for Rolling 5 Years Ended 6/30/16



Risk vs. Return for 5 Years Ending 6/30/16



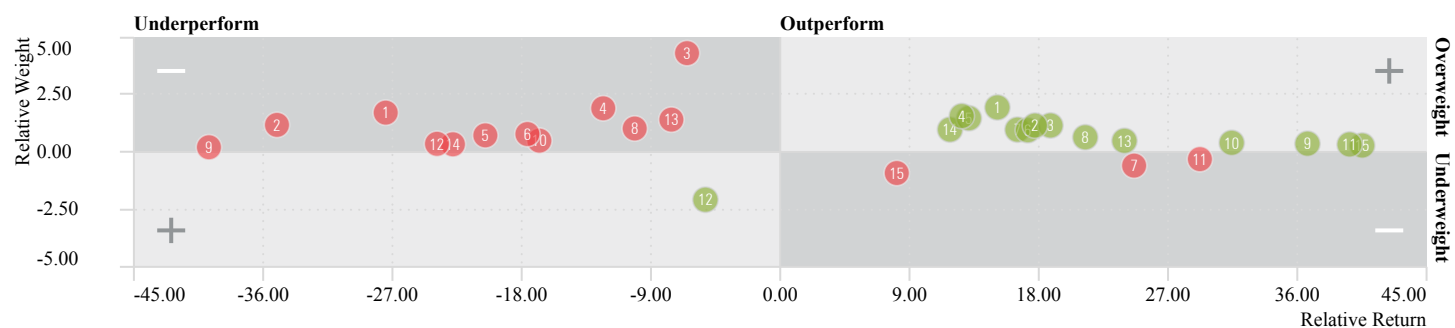
American Funds EuroPacific Growth Equity Summary Statistics

Equity Portfolio Characteristics	EuroPacific MSCI EAFE		Top Ten Holdings		
			Calculation Benchmark: iShares MSCI EAFE Portfolio Date: 6/30/2016		
			Portfolio	Benchmark	
			Weighting %	Weighting %	
# of Holdings (Long)	405	953			
Average Market Cap (mil) (Long)	34,077	31,607	Novo Nordisk A/S B	4.64	0.84
Equity Style Factor Div Yld (Long)	2.40	3.68	Novartis AG	2.41	1.58
P/E Ratio (TTM) (Long)	18.91	15.86	Tencent Holdings Ltd	1.98	
P/B Ratio (TTM) (Long)	1.93	1.53	AIA Group Ltd	1.88	0.61
Debt to Capital % (trailing) (Long)	32.47	34.55	British American Tobacco PLC	1.87	1.02
Net Margin % (trailing) (Long)	15.50	12.37	Alibaba Group Holding Ltd ADR	1.84	
ROA % (TTM) (Long)	8.15	5.00	HDFC Bank Ltd	1.80	
ROE % (TTM)	18.49	13.81	SoftBank Group Corp	1.67	0.46
			Prudential PLC	1.66	0.37
			Taiwan Semiconductor Manufacturing Co Ltd	1.61	

Ten Highest Contributors By Position				Ten Lowest Contributors By Position			
Time Period: 4/1/2016 to 6/30/2016				Time Period: 4/1/2016 to 6/30/2016			
	Rescaled Weight	Return	Contribution		Rescaled Weight	Return	Contribution
Novartis AG	2.48	13.04	0.31	Associated British Foods PLC	1.81	-24.22	-0.47
SoftBank Group Corp	1.47	18.19	0.24	International Consolidated Airlines Group SA	1.22	-36.41	-0.46
Tencent Holdings Ltd	1.56	11.48	0.18	Baidu Inc ADR	1.90	-13.48	-0.26
British American Tobacco PLC	1.74	10.13	0.17	Barclays PLC	1.70	-14.06	-0.21
HDFC Bank Ltd	1.94	8.64	0.16	Prudential PLC	2.07	-10.14	-0.20
adidas AG	0.65	23.35	0.14	Bayer AG	1.25	-12.93	-0.18
Toshiba Corp	0.38	38.27	0.13	Paddy Power Betfair PLC	0.60	-24.85	-0.16
AIA Group Ltd	1.98	6.65	0.13	Ryanair Holdings PLC ADR	0.79	-18.97	-0.15
Housing Development Finance Corp Ltd	1.15	11.25	0.13	Airbus Group SE	1.27	-11.50	-0.15
Sony Corp	0.97	13.16	0.13	Barratt Developments PLC	0.44	-31.98	-0.14

Stock Selection Effects

Time Period: 4/1/2016 to 6/30/2016



Best Selections					Worst Selections						
	GICS Sector	Weight +/-	Return +/-	Effect		GICS Sector	Weight +/-	Return +/-	Effect		
1	HDFC Bank Ltd	Financials	1.94	15.12	0.29	1	Associated British F...	Consumer Staples	1.71	-27.47	-0.49
2	Housing Developm...	Financials	1.15	17.73	0.21	2	International Conso...	Industrials	1.18	-35.04	-0.43
3	SoftBank Group Corp	Telecommunication...	1.15	18.81	0.20	3	Novo Nordisk A/S B	Health Care	4.30	-6.49	-0.28
4	Tencent Holdings Ltd	Information Techno...	1.56	12.64	0.20	4	Baidu Inc ADR	Information Techno...	1.90	-12.32	-0.24
5	AIA Group Ltd	Financials	1.47	13.14	0.19	5	Reliance Industries ...	Energy	0.72	-20.53	-0.15
6	Naspers Ltd Class N	Consumer Discretio...	0.95	17.24	0.17	6	Ryanair Holdings P...	Industrials	0.78	-17.60	-0.14
7	Kotak Mahindra Ba...	Financials	0.97	16.52	0.16	7	Keyence Corp	Information Techno...	-0.59	24.64	-0.14
8	Sony Corp	Consumer Discretio...	0.64	21.24	0.14	8	Airbus Group SE	Industrials	1.02	-10.13	-0.11
9	BMF Bovespa SA ...	Financials	0.36	36.71	0.13	9	Numericable-SFR SA	Telecommunication...	0.21	-39.78	-0.10
10	adidas AG	Consumer Discretio...	0.40	31.43	0.12	10	Paddy Power Betfai...	Consumer Discretio...	0.49	-16.77	-0.09
11	Toshiba Corp	Industrials	0.33	39.64	0.12	11	Tokyo Electron Ltd	Information Techno...	-0.31	29.22	-0.09
12	SAP SE	Information Techno...	-2.08	-5.21	0.12	12	Barratt Developme...	Consumer Discretio...	0.36	-23.90	-0.08
13	Mahindra & Mahin...	Consumer Discretio...	0.49	23.97	0.11	13	Barclays PLC	Financials	1.41	-7.58	-0.08
14	NAVER Corp	Information Techno...	0.97	11.82	0.11	14	Bank of Ireland (Go...	Financials	0.34	-22.79	-0.07
15	Kroton Educacional...	Consumer Discretio...	0.28	40.52	0.11	15	HSBC Holdings PLC	Financials	-0.92	8.11	-0.07

American Funds EuroPacific Growth Equity Summary Statistics

Sector Attribution/Contribution

Time Period: 4/1/2016 to 6/30/2016

Portfolio: American Funds Europacific Growth F2 Calculation Benchmark: iShares MSCI EAFE

	Portfolio Weights	Benchmark Weights	Portfolio Return	Benchmark Return	Allocation Effect	Selection Effect	Active Return
Consumer Discretionary	13.38	12.56	-4.18	-8.08	-0.19	0.62	0.43
Consumer Staples	7.73	12.39	-2.43	3.25	-0.16	-0.51	-0.67
Energy	3.87	4.68	7.47	11.51	-0.05	-0.16	-0.22
Financials	17.66	23.35	-1.74	-6.48	0.15	0.99	1.14
Health Care	11.34	11.45	1.74	4.91	0.09	-0.41	-0.32
Industrials	8.78	13.05	-8.40	-1.37	0.01	-0.72	-0.72
Information Technology	13.86	5.03	1.11	-1.16	0.00	0.37	0.37
Materials	3.61	6.71	0.91	1.59	-0.09	-0.03	-0.11
Telecommunication Services	3.30	5.06	3.62	-0.62	0.00	0.16	0.15
Utilities	2.55	3.77	-0.86	1.88	-0.02	-0.08	-0.11
Attribution Total	86.07	98.03	-1.21	-1.15	-0.28	0.22	-0.06
Cash	0.39	0.49					
Bond	8.12	0.00					
Other	5.24	0.63					
Missing Performance	0.18	0.86					
Total	100.00	100.01					
Reported Total			-0.34	-1.40			
Expense Ratio			0.15	0.08			
Residual(Reported - Attribution + Expense)			1.02	-0.16			

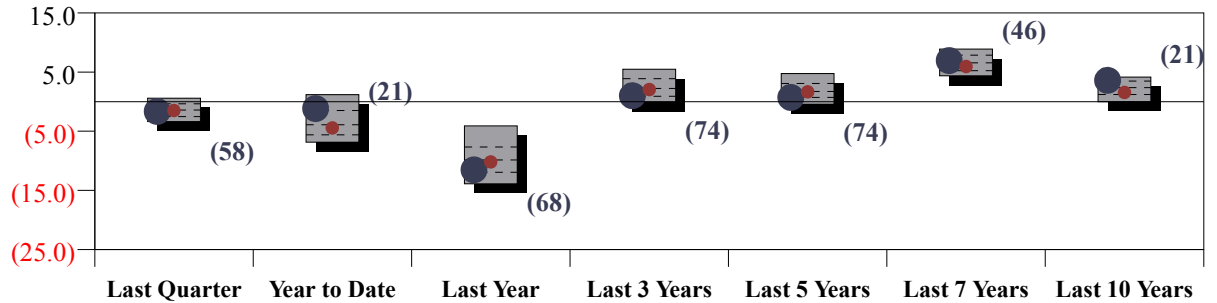
Region Attribution/Contribution

Time Period: 4/1/2016 to 6/30/2016

Portfolio: American Funds Europacific Growth F2 Calculation Benchmark: iShares MSCI EAFE

	Portfolio Weights	Benchmark Weights	Portfolio Return	Benchmark Return	Allocation Effect	Selection Effect	Active Return
Africa	1.36	0.03	3.86	11.09	0.19	-0.11	0.07
Asia - Developed	9.54	4.32	-0.56	0.82	0.13	-0.15	-0.02
Asia - Emerging	15.51	0.20	2.83	-0.80	0.08	0.64	0.72
Australasia	0.59	7.11	11.41	1.03	-0.14	0.07	-0.07
Canada	3.02	0.00	4.08		0.18	0.00	0.18
Europe - Emerging	0.36	0.00	28.35		0.11	0.00	0.11
Europe - ex Euro	10.84	14.06	0.81	0.49	-0.03	0.04	0.01
Eurozone	16.03	29.43	-6.99	-4.68	0.40	-0.44	-0.05
Japan	12.21	22.53	4.88	1.08	-0.20	0.52	0.32
Latin America	1.54	0.00	15.31		0.29	0.00	0.29
Middle East	0.19	0.68	-5.52	-5.76	0.02	0.00	0.02
United Kingdom	14.12	19.12	-10.85	-0.76	-0.01	-1.65	-1.67
United States	0.75	0.56	3.40	1.60	0.01	0.02	0.02
Attribution Total	86.07	98.03	-1.21	-1.15	1.02	-1.08	-0.06
Cash	0.39	0.49					
Bond	8.12	0.00					
Other	5.24	0.63					
Missing Performance	0.18	0.86					
Total	100.00	100.01					
Reported Total			-0.34	-1.40			
Expense Ratio			0.15	0.08			
Residual(Reported - Attribution + Expense)			1.02	-0.16			

Harbor International
for Periods Ended June 30, 2016
Group: CAI Non US Equity Mutual Funds



CAI Non US Equity MFs

	Last Quarter	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
25th Percentile	(0.33)	(1.48)	(7.66)	3.90	3.09	7.87	3.50
Median	(1.43)	(3.88)	(9.85)	2.25	1.73	6.58	2.38
75th Percentile	(2.52)	(5.59)	(11.94)	0.94	0.72	5.23	1.20

<i>Harbor International</i>	(1.64)	(1.14)	(11.51)	1.04	0.74	6.98	3.61
MSCI:EAFE	(1.46)	(4.42)	(10.16)	2.06	1.68	5.97	1.58
CAI Non US Equity MFs	(1.43)	(3.88)	(9.85)	2.25	1.73	6.58	2.38

Calendar Year Returns	2007	2008	2009	2010	2011	2012	2013	2014	2015
Harbor International	21.81 (7)	(42.66) (38)	38.56 (26)	11.98 (41)	(11.13) (24)	20.87 (29)	16.84 (83)	(6.81) (74)	(3.82) (86)
MSCI:EAFE	11.17 (57)	(43.38) (46)	31.78 (48)	7.75 (73)	(12.14) (35)	17.32 (70)	22.78 (38)	(4.90) (38)	(0.81) (60)

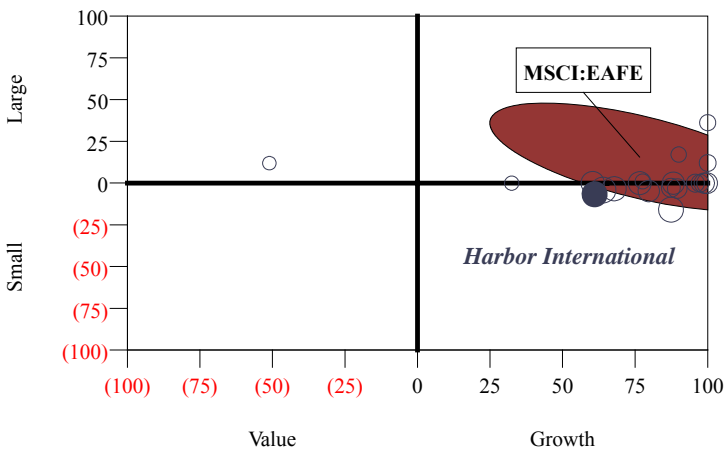
3 YEARS RISK STATISTICS

	Standard Deviation	Alpha	Beta	R-Squared
<i>Harbor International</i>	12.61	(0.98)	1.03	0.94
MSCI:EAFE	11.87	0.00	1.00	1.00
CAI Non US Equity MFs	11.59	0.30	0.92	0.94

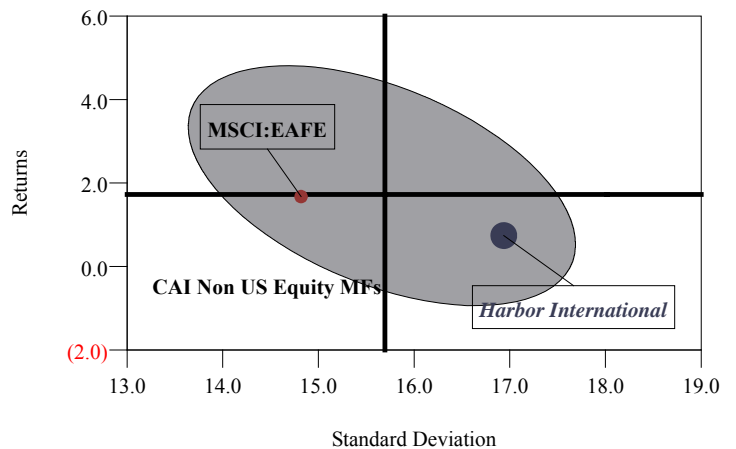
5 YEARS RISK STATISTICS

	Standard Deviation	Alpha	Beta	R-Squared
<i>Harbor International</i>	16.94	(0.87)	1.11	0.95
MSCI:EAFE	14.82	0.00	1.00	1.00
CAI Non US Equity MFs	15.70	0.13	1.03	0.95

Style Map for Rolling 5 Years Ended 6/30/16



Risk vs. Return for 5 Years Ending 6/30/16



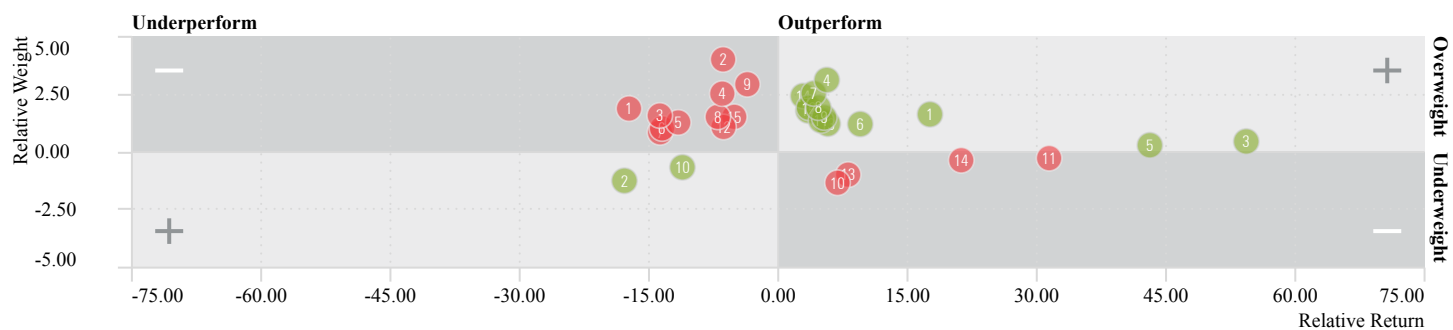
Harbor International Equity Summary Statistics

Equity Portfolio Characteristics	Harbor Int'l	MSCI EAFE	Top Ten Holdings		
			Calculation Benchmark: iShares MSCI EAFE Portfolio Date: 6/30/2016		
			Portfolio Weighting %	Benchmark Weighting %	
# of Holdings (Long)	81	953			
Average Market Cap (mil) (Long)	43,787	31,607	Las Vegas Sands Corp	4.05	
Equity Style Factor Div Yld (Long)	3.35	3.68	Novo Nordisk A/S B	3.79	0.84
P/E Ratio (TTM) (Long)	18.75	15.86	Roche Holding AG Dividend Right Cert.	3.34	1.56
P/B Ratio (TTM) (Long)	1.92	1.53	Shire PLC	3.06	0.47
Debt to Capital % (trailing) (Long)	34.53	34.55	Wynn Resorts Ltd	3.03	
Net Margin % (trailing) (Long)	15.70	12.37	Schlumberger Ltd	2.96	
ROA % (TTM) (Long)	6.91	5.00	Novartis AG	2.89	1.58
ROE % (TTM)	16.53	13.81	Essilor International SA	2.83	0.23
			Unibail-Rodamco SE	2.71	0.22
			Alibaba Group Holding Ltd ADR	2.57	

Ten Highest Contributors By Position				Ten Lowest Contributors By Position			
Time Period: 4/1/2016 to 6/30/2016				Time Period: 4/1/2016 to 6/30/2016			
	Rescaled Weight	Return	Contribution		Rescaled Weight	Return	Contribution
Novartis AG	2.69	13.04	0.34	Las Vegas Sands Corp	4.01	-14.48	-0.64
Shire PLC	3.01	9.03	0.26	Lloyds Banking Group PLC	2.34	-23.80	-0.54
Schlumberger Ltd	2.93	7.92	0.23	UBS Group AG	2.03	-20.23	-0.41
Barrick Gold Corp	0.46	55.90	0.21	Banco Bilbao Vizcaya Argentaria SA	1.87	-13.50	-0.25
Essilor International SA	2.78	7.80	0.21	Erste Group Bank AG	1.34	-18.09	-0.25
Roche Holding AG Dividend Right Cert.	3.26	6.36	0.20	AXA SA	1.90	-11.59	-0.21
Standard Chartered PLC	1.82	11.12	0.19	JC Decaux SA	0.89	-21.80	-0.20
L'Oreal SA	2.04	8.58	0.17	Unibail-Rodamco SE	3.13	-5.80	-0.19
Anheuser-Busch Inbev SA	2.41	6.88	0.17	The Swatch Group AG Bearer Shares	1.19	-14.43	-0.18
Nestle SA	2.39	6.12	0.15	LVMH Moet Hennessy Louis Vuitton SE	1.61	-10.64	-0.18

Stock Selection Effects

Time Period: 4/1/2016 to 6/30/2016



Best Selections					Worst Selections						
	GICS Sector	Weight +/-	Return +/-	Effect		GICS Sector	Weight +/-	Return +/-	Effect		
1	Standard Chartered ...	Financials	1.63	17.61	0.27	1	Lloyds Banking Gr...	Financials	1.88	-17.32	-0.30
2	Bayer AG	Health Care	-1.24	-17.85	0.23	2	Las Vegas Sands C...	Consumer Discretio...	4.01	-6.40	-0.30
3	Barrick Gold Corp	Materials	0.46	54.31	0.21	3	UBS Group AG	Financials	1.58	-13.75	-0.23
4	Wynn Resorts Ltd	Consumer Discretio...	3.12	5.64	0.19	4	Novo Nordisk A/S B	Health Care	2.53	-6.49	-0.16
5	Indivior PLC	Health Care	0.29	43.12	0.12	5	Erste Group Bank ...	Financials	1.28	-11.60	-0.16
6	BanColombia SA A...	Financials	1.21	9.52	0.11	6	LafargeHolcim Ltd	Materials	1.02	-13.49	-0.14
7	Shire PLC	Health Care	2.53	4.11	0.09	7	JC Decaux SA	Consumer Discretio...	0.85	-13.71	-0.12
8	Atlas Copco AB A	Industrials	1.92	4.67	0.09	8	Banco Bilbao Vizca...	Financials	1.52	-7.01	-0.11
9	L'Oreal SA	Consumer Staples	1.49	5.34	0.07	9	Schlumberger Ltd	Energy	2.93	-3.59	-0.10
10	Teva Pharmaceutica...	Health Care	-0.66	-11.12	0.07	10	British American T...	Consumer Staples	-1.33	6.88	-0.09
11	Fanuc Corp	Industrials	1.37	4.97	0.07	11	adidas AG	Consumer Discretio...	-0.27	31.43	-0.08
12	Tokio Marine Holdi...	Financials	1.92	3.56	0.07	12	The Swatch Group ...	Consumer Discretio...	1.08	-6.35	-0.08
13	SMC Corp	Industrials	1.22	5.75	0.07	13	HSBC Holdings PLC	Financials	-0.98	8.11	-0.08
14	Essilor Internationa...	Health Care	2.43	2.89	0.07	14	Sony Corp	Consumer Discretio...	-0.36	21.24	-0.07
15	Cie Generale des Et...	Consumer Discretio...	1.79	3.49	0.06	15	AXA SA	Financials	1.52	-5.10	-0.07

Harbor International Equity Summary Statistics

Sector Attribution/Contribution

Time Period: 4/1/2016 to 6/30/2016

Portfolio: Harbor International Institutional Calculation Benchmark: iShares MSCI EAFE

	Portfolio Weights	Benchmark Weights	Portfolio Return	Benchmark Return	Allocation Effect	Selection Effect	Active Return
Consumer Discretionary	15.64	12.56	-10.69	-8.08	-0.27	-0.47	-0.74
Consumer Staples	17.05	12.39	3.90	3.25	0.25	0.12	0.36
Energy	2.78	4.68	7.92	11.51	-0.23	-0.10	-0.34
Financials	20.76	23.35	-8.66	-6.48	0.10	-0.48	-0.38
Health Care	17.81	11.45	5.81	4.91	0.44	0.15	0.59
Industrials	10.04	13.05	-0.47	-1.37	0.01	0.10	0.10
Information Technology	4.73	5.03	-1.51	-1.16	0.00	-0.01	-0.02
Materials	6.09	6.71	-0.89	1.59	-0.03	-0.15	-0.18
Telecommunication Services	0.00	5.06		-0.62	-0.03	0.00	-0.03
Utilities	0.00	3.77		1.88	-0.12	0.00	-0.12
Attribution Total	94.89	98.03	-1.89	-1.15	0.12	-0.86	-0.74
Cash	2.12	0.49					
Bond	0.00	0.00					
Other	2.18	0.63					
Missing Performance	0.81	0.86					
Total	100.00	100.01					
Reported Total			-1.64	-1.40			
Expense Ratio			0.18	0.08			
Residual(Reported - Attribution + Expense)			0.44	-0.16			

Region Attribution/Contribution

Time Period: 4/1/2016 to 6/30/2016

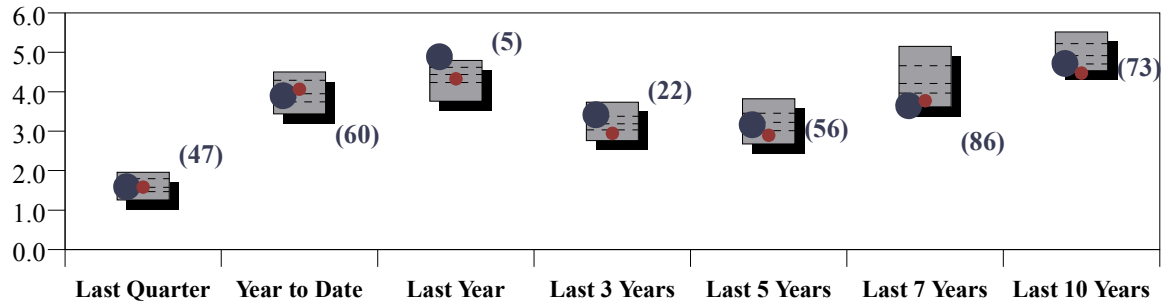
Portfolio: Harbor International Institutional Calculation Benchmark: iShares MSCI EAFE

	Portfolio Weights	Benchmark Weights	Portfolio Return	Benchmark Return	Allocation Effect	Selection Effect	Active Return
Africa	0.00	0.03		11.09	-0.01	0.00	-0.01
Asia - Developed	0.04	4.32	-14.49	0.82	-0.09	-0.01	-0.09
Asia - Emerging	2.90	0.20	-2.47	-0.80	0.01	-0.05	-0.04
Australasia	0.00	7.11		1.03	-0.15	0.00	-0.15
Canada	0.43	0.00	55.90		0.22	0.00	0.22
Europe - ex Euro	20.32	14.06	-0.63	0.49	0.11	-0.24	-0.12
Eurozone	35.62	29.43	-3.73	-4.68	-0.28	0.37	0.09
Japan	8.39	22.53	-1.16	1.08	-0.32	-0.20	-0.51
Latin America	2.05	0.00	3.68		0.10	0.00	0.10
Middle East	0.00	0.68		-5.76	0.03	0.00	0.03
United Kingdom	14.90	19.12	-0.16	-0.76	-0.02	0.09	0.08
United States	10.24	0.56	-3.96	1.60	0.28	-0.61	-0.32
Attribution Total	94.89	98.03	-1.89	-1.15	-0.10	-0.64	-0.74
Cash	2.12	0.49					
Bond	0.00	0.00					
Other	2.18	0.63					
Missing Performance	0.81	0.86					
Total	100.00	100.01					
Reported Total			-1.64	-1.40			
Expense Ratio			0.18	0.08			
Residual(Reported - Attribution + Expense)			0.44	-0.16			

Tab 4

Manager Analysis – Fixed Income

**Old National Bank (Gross)
for Periods Ended June 30, 2016
Group: CAI Intermediate Fixed Income**



CAI Intermediate FI

25th Percentile	1.80	4.29	4.62	3.38	3.46	4.66	5.22
Median	1.58	3.95	4.44	3.19	3.23	4.22	4.92
75th Percentile	1.47	3.75	4.24	3.04	3.02	3.97	4.71

Old National Bank (Gross)	1.59	3.90	4.89	3.42	3.17	3.65	4.72
Barclays:Gov/Credit Inter	1.59	4.07	4.33	2.95	2.90	3.78	4.48
CAI Intermediate FI	1.58	3.95	4.44	3.19	3.23	4.22	4.92

Calendar Year Returns	2007	2008	2009	2010	2011	2012	2013	2014	2015
Old National Bank	8.71 (1)	6.25 (18)	4.26 (92)	5.22 (96)	5.09 (79)	4.03 (80)	(0.75) (64)	3.88 (22)	1.98 (2)
Barclays:Gov/Credit Inter	7.39 (41)	5.08 (43)	5.24 (90)	5.89 (84)	5.80 (51)	3.89 (82)	(0.86) (66)	3.13 (71)	1.07 (76)

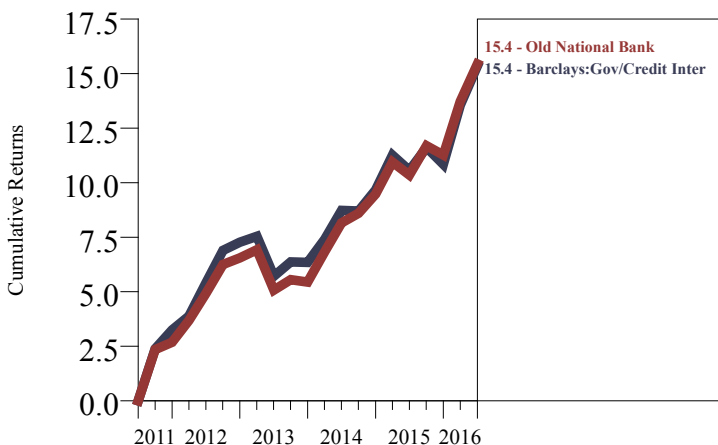
3 YEARS RISK STATISTICS

	Standard Deviation	Alpha	Beta	R-Squared
Old National Bank	1.70	0.76	0.89	0.96
Barclays:Gov/Credit Inter	1.87	0.00	1.00	1.00
CAI Intermediate FI	1.82	0.39	0.94	0.97

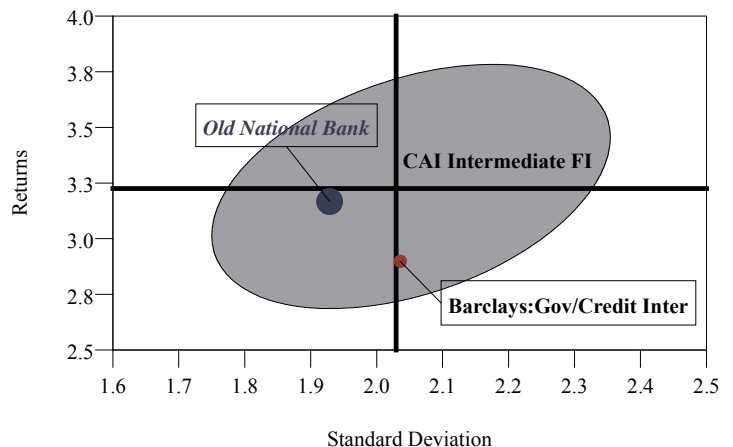
5 YEARS RISK STATISTICS

	Standard Deviation	Alpha	Beta	R-Squared
Old National Bank	1.93	0.47	0.93	0.95
Barclays:Gov/Credit Inter	2.04	0.00	1.00	1.00
CAI Intermediate FI	2.03	0.42	0.96	0.93

Cumulative Returns for 5 Years Ended June 30, 2016



Risk vs. Return for 5 Years Ending 6/30/16

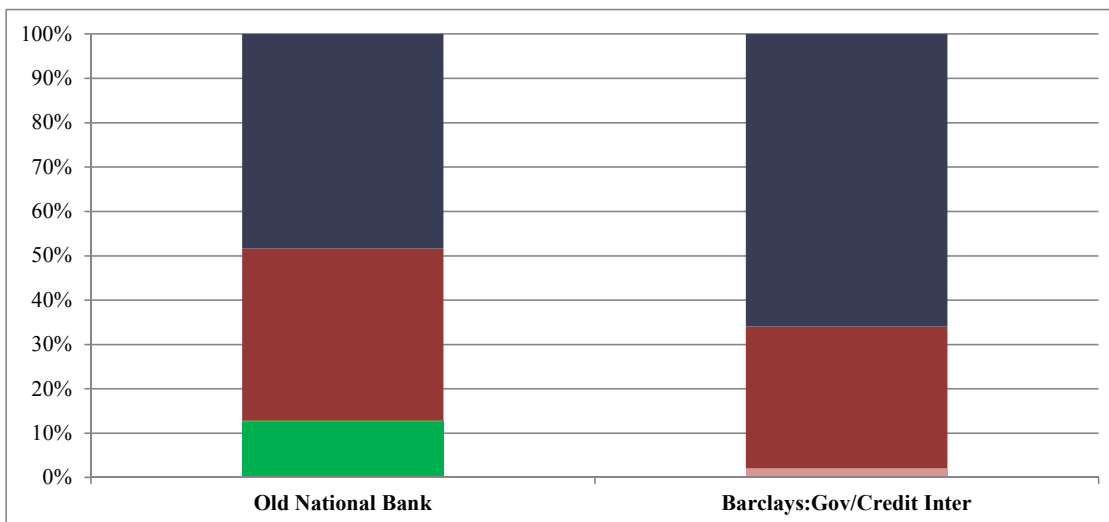


USI VEBA Trust
 Fixed Income Summary Statistics
 Old National Bank
 Quarter Ending June 30, 2016

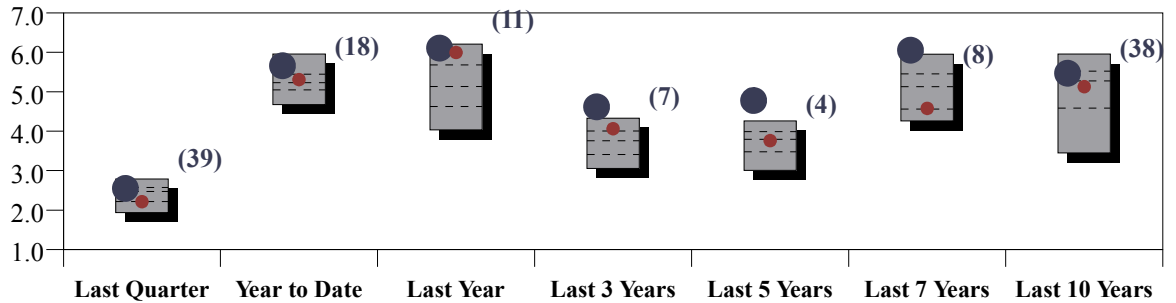
	<u>Old National Bank</u>	<u>Barclays:Gov/Credit Inter</u>
Total Number of Securities	45	5,100
Effective Yield	1.38	1.41
Coupon Rate	2.60	2.47
Quality Rating	AA	AA
Duration	4.12	4.08

Sector Attribution

<i>Sector Allocation</i>				
Sector	Quarterly Return	Old National Bank	Barclays:Gov/Credit Inter	Over (Under) Weight to Bench
U.S. Govt/Agency	1.2%	48.4%	66.0%	(17.6%)
Corporates	2.1%	38.7%	32.0%	6.7%
Mortgage Backed	1.1%	0.3%	-	0.3%
CMBS	2.2%	-	-	-
Asset-Backed	1.2%	-	-	-
Municipal	2.6%	-	-	-
High Yield	5.4%	-	-	-
Foreign-developed	4.5%	-	-	-
Foreign-emerging	6.0%	-	2.0%	(2.0%)
Cash/Other	0.1%	12.6%	-	12.6%
		<u>100.0%</u>	<u>100.0%</u>	



**Baird Aggregate Bd;Inst
for Periods Ended June 30, 2016
Group: CAI Core Bond Mutual Funds**



CAI Core Bond MFs

25th Percentile	2.58	5.45	5.68	4.01	3.99	5.46	5.53
Median	2.47	5.23	5.14	3.76	3.80	5.13	5.28
75th Percentile	2.22	5.05	4.63	3.41	3.48	4.56	4.59

Baird Aggregate Bd;Inst	●	2.55	5.66	6.11	4.62	4.78	6.06	5.47
Barclays:Aggregate Index	●	2.21	5.31	6.00	4.06	3.76	4.58	5.13
CAI Core Bond MFs		2.47	5.23	5.14	3.76	3.80	5.13	5.28

Calendar Year Returns	2007	2008	2009	2010	2011	2012	2013	2014	2015
Baird Aggregate Bd;Inst	5.61 (50)	(2.36) (59)	10.87 (56)	8.34 (15)	7.85 (21)	7.92 (15)	(1.25) (31)	6.89 (11)	0.55 (11)
Barclays:Aggregate Index	6.97 (13)	5.24 (13)	5.93 (94)	6.54 (85)	7.84 (25)	4.21 (95)	(2.02) (60)	5.97 (28)	0.55 (11)

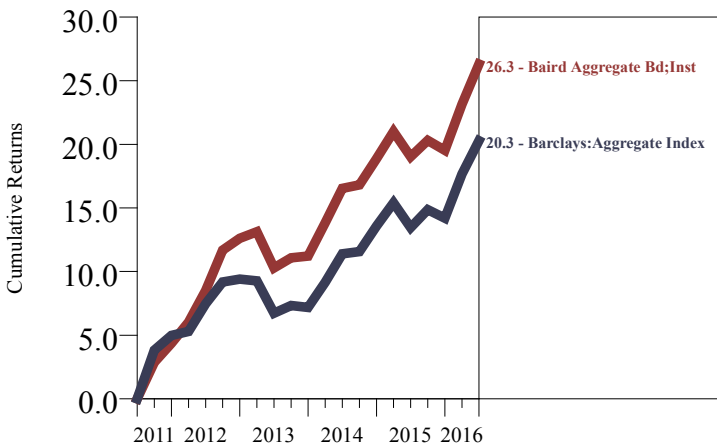
3 YEARS RISK STATISTICS

	Standard Deviation	Alpha	Beta	R-Squared
Baird Aggregate Bd;Inst	2.85	0.39	1.04	0.98
Barclays:Aggregate Index	2.72	0.00	1.00	1.00
CAI Core Bond MFs	2.71	(0.11)	0.97	0.95

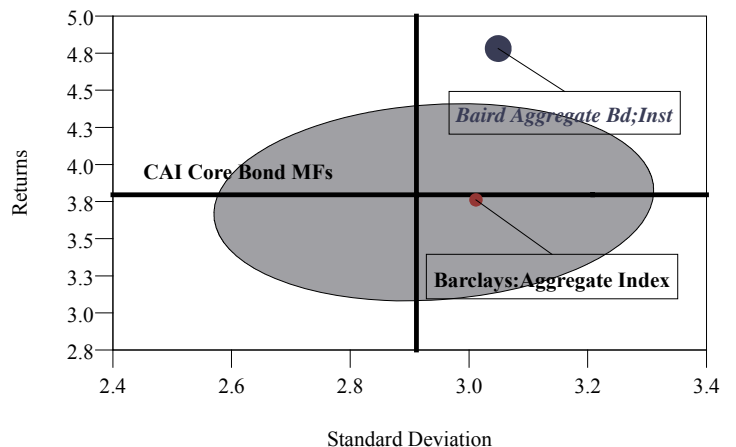
5 YEARS RISK STATISTICS

	Standard Deviation	Alpha	Beta	R-Squared
Baird Aggregate Bd;Inst	3.05	1.15	0.96	0.89
Barclays:Aggregate Index	3.01	0.00	1.00	1.00
CAI Core Bond MFs	2.91	0.39	0.89	0.89

Cumulative Returns for 5 Years Ended June 30, 2016



Risk vs. Return for 5 Years Ending 6/30/16

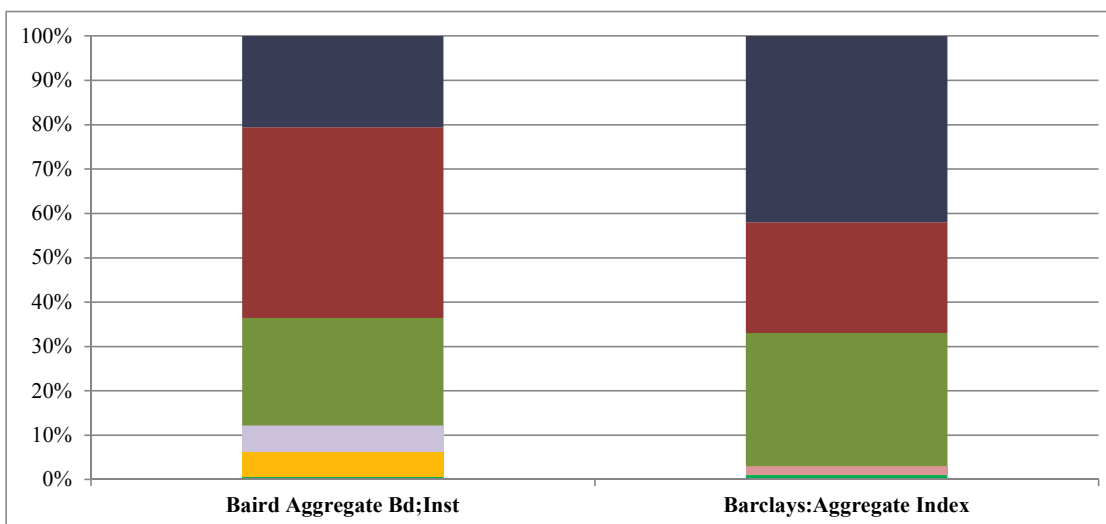


USI VEBA Trust
Fixed Income Summary Statistics
Baird Aggregate Bd;Inst
Quarter Ending June 30, 2016

	Baird Aggregate Bd;Inst	Barclays:Aggregate Index
Total Number of Securities	899	9,804
Effective Yield	2.39	1.91
Coupon Rate	3.48	3.13
Quality Rating	AA-	AA+
Duration	5.47	5.47

Sector Attribution

Sector	Quarterly Return	<i>Sector Allocation</i>		Over (Under) Weight to Bench
		Baird Aggregate Bd;Inst	Barclays:Aggregate Index	
U.S. Govt/Agency	2.0%	20.6%	42.0%	(21.4%)
Corporates	3.5%	43.0%	25.0%	18.0%
Mortgage Backed	1.1%	24.2%	30.0%	(5.8%)
CMBS	2.2%	6.0%	-	6.0%
Asset-Backed	1.2%	5.5%	-	5.5%
Municipal	2.6%	-	-	-
High Yield	5.5%	-	-	-
Foreign-developed	4.5%	-	-	-
Foreign-emerging	6.0%	-	2.0%	(2.0%)
Cash/Other	0.1%	0.7%	1.0%	(0.3%)
		<u>100.0%</u>	<u>100.0%</u>	



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UNIVERSITY OF SOUTHERN INDIANA

Internal Audit Report

Prepared by

Bradley V. Will, CPA
Director of Internal Audit

Kendra Groeninger
Internal Audit Manager

**University of Southern Indiana
 Annual Audit Plan
 Calendar Year 2016**

QUARTER BEGINNING	AUDIT AREA	DESCRIPTION	HOURS
January 2016	eProcurement	Review adequacy of internal controls surrounding eProcurement	200
	Title IX & Campus Sexual Violence Elimination (SaVE) Act	Review policies and procedures for compliance with federal laws	250
	New Harmony Cash Controls and Museum Shop Inventory	New Harmony - Museum Shop Physical Inventory Count & Cash Controls	30
	Bookstore	Physical inventory observation	40
	IT Security Initiatives	Monitoring progress on security findings from prior IT security and privacy audits & coordinating follow-up to Protiviti review	200
April 2016	Accounts Receivable	Review controls over billing, accounts receivable, and collections	250
	OMB Uniform Guidance	Evaluate status of implementation of new procurement standards	75
	Athletics Business Operations	Review controls over cash, ticket sales, and other revenue	250
	Facility Operations Storeroom	Physical inventory observation	50
July 2016	Federal Student Financial Aid	Grants and scholarships	250
	Non-financial aid grant fund(s)	Compliance with grantor regulations	250
	Child Protection Policy	Evaluate Compliance with Child Protection Policy	220
October 2016	Residence Life	Review controls over billing and occupancy, card/key security, residence contracts, and student mail distribution	250
	Utility Costs	Review process and procedure for utility rate negotiation	120
	University and USI Foundation Agreement	Review terms of agreement from the University's perspective based on services provided by University personnel	100

Total Hours	<u>2,535</u>
Hours Available	2,603
Hours available for unscheduled audits	68

Other Activities Requiring Significant Internal Audit Time

- > Review, evaluation, and updates to process flow documentation for State Board of Accounts
 - Over 40 documents detailing operational and accounting processes and internal controls

- > Review of Independent Textbook Buyers on Campus

Report No. USIA16-1
 March 29, 2016

Audit Report eProcurement Control Review

Results at a Glance

Audit Objectives:	RISK MITIGATION			
	Adequate Controls & Practices	Opportunity for Minor Improvement	Opportunity for Moderate Improvement	Opportunity for Significant Improvement
Financial manager workflow assignments are accurate and changes are authorized				
Changes to workflow priorities are controlled, documented, authorized, and approved				
Purchase orders (POs) reflected in BuyUSI agree to POs in the Banner system				
BuyUSI workflows route requisitions for review and approval in accordance with procurement policy				
User access rights to create, approve, and modify requisitions are appropriate				

Introduction

Our report of the internal audit of eProcurement internal controls is presented below. We would like to thank Dan Martens, Julie Weinzapfel, Jeff Spohn, Mike Murphy and other procurement and business office personnel who contributed positively to our results.

Background Information

On July 1, 2015, Procurement Services, in conjunction with Accounts Payable, introduced an eProcurement system branded as "BuyUSI", which was developed and customized for the University by ESM Solutions. BuyUSI is a procure-to-pay system through which purchase requisitions are created, routed to financial managers for approval, and routed to procurement personnel for review and order placement. BuyUSI is the single point of entry where faculty and staff can go to order the majority of their campus-related purchases. BuyUSI combines the cost savings obtained from negotiated vendor pricing with the convenience of online ordering through business relationships with more than twenty vendors whose online product catalogs are available through the system. Purchase requisitions for products from vendors for whom an online catalog is not available through BuyUSI benefit from the electronic workflow and approval features of the system. Since its launch in July 2015 through January 2016, University personnel have used the system to process approximately 4,800 requisitions totaling more than \$18.7 million in purchases.

Report No. USIA16-1
March 29, 2016

This report is based on a review of BuyUSI system access, features, and controls for processing purchase requisitions and creating POs. The audit approach included reviewing purchasing policies and procedures; interviewing Procurement Services, Accounting, and Accounts Payable personnel; reviewing a sample of POs created from July 2015 through January 2016 to evaluate compliance with policy for the initiation and approval of purchase requisitions; reviewing financial manager assignments in BuyUSI for accuracy; and reviewing user access rights to create, approve, and modify purchase requisitions.

The **objectives** of the audit were to:

- Evaluate the adequacy of controls over financial manager workflow assignments and changes in BuyUSI
- Evaluate the adequacy of controls over changes to workflow priorities in BuyUSI
- Verify that POs in BuyUSI and Banner systems agree and differences, if any, are justified
- Evaluate whether workflows are applied to requisitions according to University policy
- Review BuyUSI user access rights and profiles for appropriateness based on job function and purchasing authority

Conclusion

In general, the results of our audit procedures indicate **opportunities for moderate improvement** with respect to **controls over workflow priority changes** and **user access rights to modify requisitions**, while **adequate controls and practices** exist with respect to **financial manager workflow assignments, POs reported in both the BuyUSI and Banner systems, and routing requisitions according to policy.**

Management will take or has taken the following actions:

- Formalizing the change control process for modifying or creating new workflow priorities
- Removing the ability to edit requisitions in BuyUSI from financial manager user profiles or modifying the workflows to ensure proper routing when edits are made

No additional action or response is required.

Bradley V. Will
Director of Internal Audit

Kendra Groeninger
Internal Audit Manager

Distribution: Dan Martens
Jeff Spohn
Jeff Sickman
Steve Bridges
Dr. Linda L. M. Bennett

Report No. USIA16-1
March 29, 2016

eProcurement Control Review Audit Report

Control Issues and Responses

Formalizing the change control process for modifying or creating new workflow priorities

Issue: There is not a formal change control process for documenting change requests and modifications to the BuyUSI (ESM) workflow priorities.

Risk: The lack of a formal process for documenting changes to workflow priorities increases the risk that changes are not adequately communicated and understood by all parties impacted, changes do not achieve the desired result, requiring additional testing and rework, and regression to the pre-change state, if necessary, is more difficult.

Response: The accounts payable manager and business office manager of information systems will create an internal request form by May 27, 2016 for use when procurement management would like to create a new workflow priority or change an existing workflow priority. The form will be used for changes to the workflow configuration related specifically to workflow priority numbers and sequencing. The forms will be retained by either the accounts payable manager or business office manager of information systems as support for any changes, along with emails notifying procurement management that the change has been completed.

Removing the ability to edit requisitions in BuyUSI from financial manager user profiles or modifying the workflows to ensure proper routing when edits are made

Issue: BuyUSI assigns a workflow to requisitions according to criteria (e.g. fund/org, order type, and dollar value) entered when initiated by the requestor. The current user permissions for financial managers allow for edits to the fund/org, order type, or quantity that could make the assigned workflow invalid. Furthermore, based on testing performed by procurement personnel, ESM was not designed to detect such changes and alter the workflow once in process.

Risk: Allowing financial managers to change the fund/org, order type, and order quantity increases the risk that requisitions are modified and do not follow the appropriate workflow and approval process.

Response: Procurement management will evaluate the feasibility and impact of removing the ability to edit requisitions from financial manager user profiles by April 29, 2016. Based on the results of the evaluation, Procurement will either remove the ability of financial managers to edit requisitions or change the process where every edit by financial managers triggers a new workflow back to the original requestor by May 27, 2016.

Report No. USIA16-2
April 19, 2016

Audit Report Independent Textbook Buyers on Campus

Introduction

Our report of the review of independent textbook buyers on campus and the University's solicitation policy is presented below.

Background Information

Independent textbook buyers are a fact of life on nearly every college campus. They solicit faculty and staff members directly, seeking to purchase the complimentary copies of books that accumulate when considering texts for adoption, as well as the desk copies of books no longer used in courses. These textbook buyers do not represent the interests of faculty, students, or textbook publishers.

Internal Audit received a formal complaint regarding the presence of independent textbook buyers on campus and their interactions with University personnel. The complaint raised a number of questions, including whether or not the University's solicitation policy prohibits these individuals from soliciting faculty and staff for the purchase of textbooks and appropriate methods to dispose of unwanted complimentary desk and examination copies of textbooks.

Internal Audit performed a review of University policies regarding solicitation on campus and procedures associated with the management and disposal of complimentary desk and examination copies. The approach consisted of interviews with support staff responsible for assisting faculty with textbook orders and disposal, as well as a review of the Employee Handbook for the inclusion of policies regarding on campus solicitation, including specific policies related to independent textbook buyers. Internal Audit also reviewed the policies of several other Universities that had addressed the same issue on their campuses.

The **objectives** of the review were to:

- Evaluate the adequacy of University policies regarding solicitation on campus
- Assess current University-wide practices for management and disposal of complimentary textbooks for consistency with policy and consistency across the institution

Conclusion

The results of our review indicate that while the **Campus Solicitation Policy** generally prohibits on campus soliciting by outside individuals or organizations, it **does not clearly prohibit solicitation by independent textbook buyers**. Furthermore, the lack of a clear policy has led to inconsistencies within the colleges and departments with respect to the procedures and expectations for the disposal of textbooks.

Internal Audit recommends that the administration develop and publish a policy which clearly prohibits independent textbook buyers from soliciting faculty and staff for the purchase of textbooks. Concepts that should be considered for the policy include:

- A statement prohibiting all independent textbook buyers from soliciting faculty and staff for the purchase of textbooks on the grounds, in the buildings, and/or on equipment or networks owned/operated by the University
- An explanation of how the sale of complimentary textbooks to independent textbook buyers adversely affects the entire academic community
- Instructions for faculty and staff regarding how to respond when approached by such solicitors

- Potential disciplinary action for employees found to have violated the policy

Management will take or has taken the following action:

- A new policy titled, "Solicitors On Campus -- Independent Textbook Buyers" has been drafted to clarify the University's position that independent textbook buyers are prohibited from soliciting on the grounds, in the buildings, and/or on equipment or networks owned/operated by the University. The policy will be announced and distributed to all employees and included in the Employee Handbook at the start of the Fall 2016 semester. Practical alternatives for the appropriate disposal of unwanted desk and examination copies of textbooks will be included with the announcement of the policy.

No additional action or response is required.

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**University of Southern Indiana
 Audit Recommendations Matrix
 Calendar Year 2012**

AUDIT NAME	RECOMMENDATION	RESPONSE	TARGET	STATUS
OBSERVATION				
Employment, Payroll, & Benefits				
<p>6. During the audit, payroll personnel indicated they have established as an objective to increase the use of technology through the selection and implementation of an electronic time-keeping/time-tracking system. The current payroll processing environment relies heavily on hard-copy documents for tracking and reporting hours worked and employee time off (both paid and unpaid time). The University uses paper time sheets for employees to record their hours. In addition, personnel within the various departments summarize the hours from employee timesheets by recording them on a hard-copy recap document.</p>	<p>Utilize technology solutions to increase efficiency of payroll processing.</p>	<p>The Payroll Manager and HRISM are meeting weekly to explore options of implementing either a Banner-provided or a separate web time-entry system. The managers will make a recommendation and a final decision will be made by March 31, 2013.</p>	<p>Web time plan: Students - Fall 2013 Revised: December 2014</p> <p>Bi-weekly - Spring 2014 Revised: June 2015</p> <p>9-month faculty - Fall 2014 Revised: December 2015</p> <p>Remaining monthly - Fall 2015 Revised: June 2016</p>	<p>Human Resources (HR) has determined that this effort will require outside assistance</p> <p>On hold due to budget constraints</p>
<p>7. The current payroll processing schedule includes a bi-weekly payroll for support staff and temporary workers, a bi-weekly payroll for student workers, and monthly payroll for full-time faculty, administrative staff members, and adjunct faculty. The bi-weekly payrolls are paid one week in arrears, while the monthly payrolls are paid current.</p>	<p>Consider transitioning the monthly payroll schedule to a bi-weekly payroll schedule.</p>	<p>The HR administrator group will evaluate the web time-entry project and possible changes to the payroll processing schedule and the Payroll Manager and HRISM will recommend their priority order by March 31, 2013. At that time a project plan would be built for the top priority project and subsequent deadlines established.</p>	<p>Prioritization of web time-entry and payroll schedule projects: March 31, 2013</p> <p>Evaluation of transition from monthly to bi-weekly processing: 9-month faculty - Fall 2014 Remaining monthly - Fall 2015</p> <p>Revised: June 2016</p>	<p>Web time-entry prioritized first</p> <p>On hold due to budget constraints</p>

**University of Southern Indiana
 Audit Recommendations Matrix
 Calendar Year 2013**

AUDIT NAME	OBSERVATION	RECOMMENDATION	RESPONSE	TARGET	STATUS
Contracting Authority Risk Assessment	1. The University does not have a written policy outlining the positions that are authorized to execute contracts obligating the University to deliver goods or services to third parties.	Develop a written policy which clearly defines those positions with authority to execute contracts or delegate such execution authority. Centralize the review of all contracts to facilitate routing, both internally and to outside legal counsel, ensure that appropriate University personnel review the contracts, monitor the contracts for provisions or modifications that have been predetermined as potentially detrimental to the University's interests, and ensure legal counsel is consulted when appropriate.	The Division of Outreach and Engagement, under the direction of the Associate Provost, has established a contract committee to review the various types of service contracts that the department executes. The committee will complete a draft of the policy, make its determination of feasibility of centralized contract review, and submit the policy to the President's Council for review by September 30, 2013.	September 30, 2013 Revised: "Pilot" policy in Division of Outreach and Engagement: February 28, 2014 Rollout policy to entire campus: January 2015 Revised: July 1, 2015 Revised: TBD	Completed Rollout will take place in conjunction with responses to process improvements identified in September 2015 by the federal grants and contracts consultant
	2. The University does not have a standard contract template that is required for all contracts and proposals for delivery of services. Consequently, these agreements generally lack provisions limiting the University's liability and protecting the University from claims associated with the performance of the services.	Develop a standard contract template, which includes the following provisions: a.) Limitation of liability b.) Indemnification clause c.) Force majeure clause d.) Confidentiality clause	The Division of Outreach and Engagement will work with legal counsel to develop standard contract templates containing the suggested provisions, as appropriate for the types of services routinely performed by University personnel.	September 30, 2013 Revised: March 31, 2014 September 30, 2014 April 30, 2015 November 1, 2016	In progress
Eagle Access Department Card	2. Some card users indicated that they did not have a clear understanding of guidelines for usage of the cards, nor did they connect proper usage of the cards with the institutional hospitality policy.	Develop a policy and procedures to govern the use of Eagle Access department cards that is consistent with the approved University hospitality policy. Training should be provided for all department users and users' acknowledgement of the policy should be documented.	The Business Office will develop a policy and procedures to govern the use of Eagle Access department cards that is consistent with the approved hospitality policy. The policy will be developed by September 30, 2013, and users will receive communication/training on the policy thereafter.	September 30, 2013 Revised: July 1, 2014 December 31, 2014 July 1, 2015 Implementation of procurement card for hospitality expenses: March 31, 2016 Revised: March 31, 2017	Procurement card solution selected and contract signed in August 2015
	3. Eagle Access department card transactions currently receive no independent (outside the department) review to confirm that card usage is in conformity with University policies and procedures. All other University financial transactions receive some level of review by finance or accounting personnel.	Develop an independent review of Eagle Access department card transactions for conformity with established policies and procedures.	Business Office management is considering the possibility of transitioning the majority of departments currently using Eagle Access cards to the use of a procurement card for hospitality expenses. The Business Office will complete its evaluation of the feasibility of such a transition by June 30, 2014, and take subsequent actions as appropriate.	June 30, 2014 Revised: July 1, 2014 December 31, 2014 July 1, 2015 Implementation of procurement card for hospitality expenses: March 31, 2016 Revised: March 31, 2017	

**University of Southern Indiana
 Audit Recommendations Matrix
 Calendar Year 2014**

AUDIT NAME	OBSERVATION	RECOMMENDATION	RESPONSE	TARGET	STATUS
Information Security and Privacy Compliance					
	1. The University has not designated an employee or employees with responsibility for the development, implementation, and coordination of an information security program, as required by the Family Educational Rights and Privacy Act (FERPA), Gramm-Leach-Bliley Act (GLBA), Health Insurance Portability and Accountability Act (HIPAA), and Payment Card Industry Data Security Standard (PCI DSS).	Assign information security responsibility to one or more individuals as necessary to address the data security needs of the institution. The information security function should be a dedicated function with little or no daily information technology operational responsibilities.	The Information Technology (IT) department agrees a permanent dedicated Information Security position is needed, and anticipates the University will create this position in the future when budgets are less constrained. As an interim measure, we believe a consultant can satisfactorily perform this function for the University. IT intends to issue a request for proposal (RFP) for this role no later than October 1, 2014.	October 1, 2014 Revised: TBD	A job description has been created and is under review by management and human resources
	2. A formal and comprehensive information security risk assessment has not been conducted by the University.	Develop a formal information security risk assessment process to be conducted annually and continue to pursue the outsourced network architecture and data security review in 2014.	A RFP for the external network architecture and data security analysis is progressing with a target date for performance of this analysis in the fall of 2014. Additionally, once it is in place, the IT security role will coordinate risk assessment execution and follow up.	Fall 2014	Protiviti review completed in March 2015 Follow-up review completed in June 2016
	3. There is no formal information security awareness training program for new or continuing employees, nor is there an established process for delivering periodic security reminders or updates as required by GLBA, HIPAA, and PCI DSS.	Develop a formal information security awareness and training program for new and continuing employees. Training should be required upon hire and periodically thereafter for continuing employees. Publish periodic (e.g. monthly) information security reminders to all University personnel.	IT will develop training modules, execute the training, and provide reporting on compliance. Once in place, the IT security role will establish the timeline to complete the training material.	TBD	Dependent on staffing the IT security role
	4. There is currently no process or system in place to proactively monitor network activity logs and alert IT personnel of indications of attack or intrusion.	Evaluate intrusion detection and file integrity monitoring solutions and determine the appropriate placement and configuration across the network based upon a comprehensive risk assessment and input from information security auditors or consultants engaged to conduct the network architecture and data security review.	IT has begun the process of evaluation of additional tools to solve this need. Specifically, IT expects that the University needs the following systems: <ul style="list-style-type: none"> • Intrusion Prevention System (IPS) • Intrusion Detection System, including File Integrity Monitoring • Log File Aggregation System IT anticipates having these in place by end of the 2014 - 2015 fiscal year.	June 30, 2015 Revised: TBD	In progress ASA firewalls with FirePOWER (which includes IPS, advanced malware protection, and URL filtering) in place Implementation and ongoing refinement of FirePOWER and FireSight rules across the network are contingent on IT security staffing
	7. The school based health centers, operated by the University at various Evansville Vanderburgh School Corporation (EVSC) facilities, are health care providers subject to HIPAA. There does not appear to be documentation describing each party's role and responsibility with respect to the HIPAA security standards.	Perform a joint risk assessment (University and EVSC) specific to the school based health centers and document the parties' respective responsibilities for ensuring compliance with HIPAA. Include an evaluation of physical security for the facilities and hard copy documents, as well as technical security of the computer equipment, network devices, and protected health information processed or stored on the equipment.	USI Community Health Center personnel will schedule a meeting with the EVSC staff to discuss HIPAA compliance and schedule a date to perform the risk assessment when the EVSC staff returns from summer break (August 2014).	August 2014 Revised: Initial meeting February 25, 2015	Completed A draft of a Business Associate Agreement was delivered to the EVSC on August 8, 2016, which describes the EVSC's responsibility to safeguard protected health information.
International Travel Programs and Study					

**University of Southern Indiana
 Audit Recommendations Matrix
 Calendar Year 2014**

AUDIT NAME	OBSERVATION	RECOMMENDATION	RESPONSE	TARGET	STATUS
	1. During our review of a sample of study abroad programs, Internal Audit noted some duplication in data requested from participants.	Review the study abroad forms in an effort to identify and eliminate potential duplicate data requests.	IPS has requested to purchase Terra Dotta software for study abroad and international travel data management. If approved, IPS hopes to implement the software by the beginning of spring semester 2015. If IPS cannot implement the software, IPS will review and revise the forms required for short-term programs abroad by November 1, 2014.	Form revision: November 1, 2014 Software implementation: Spring 2015 Revised: July 2015 December 2015 March 2016 September 30, 2016	Completed
	2. Of 58 participant files for programs administered by International Programs and Services, 23 files did not contain a Participation Agreement, 19 files did not contain the Release and Acceptance of Responsibility Form, 25 files did not contain the Authorization of Medical or Surgical Consultation/Treatment form, and 36 files did not contain the Personal Data Form nor the Health Information Self-Assessment Form.	Establish mandatory document completion requirements for the most critical forms required for study abroad participants.	IPS has requested to purchase Terra Dotta software for study abroad and international travel data management. If approved, IPS hopes to implement the software by the beginning of spring semester 2015.	Software implementation: Spring 2015 Revised: July 2015 December 2015 March 2016 September 30, 2016	
	3. Some established short-term programs abroad are administered by University faculty with little or no involvement from IPS, which may lead to inconsistencies in the implementation, collection, and retention of study abroad documentation.	Require all study abroad program directors to work with IPS to establish the required forms and documentation for participants. Program directors should collect and submit completed participant forms to IPS prior to departure. IPS should monitor submission of required documents and notify the program director regarding missing items. Participation in the program should be contingent upon the submission of fully completed documents on or before the established due date. IPS should establish a standard retention period for participant documents.	Discuss and implement a strategy for making student travel contingent upon submission of completed documentation. IPS has requested to purchase Terra Dotta software for study abroad and international travel data management. If approved, IPS hopes to implement the software by the beginning of spring semester 2015. The features and automation in this software will make collection, tracking, and retention more feasible.	Strategy discussion: September 8, 2014 Strategy implementation: November 2014 Software implementation: Spring 2015 Revised: July 2015 December 2015 March 2016 September 30, 2016	Completed Implemented spreadsheet tracking of forms pending software implementation
Fuel Pump Access and Accountability					
	1. A true reconciliation of fuel inventories is not being performed.	Facility Operations should reconcile fuel inventories on hand on a monthly basis using beginning and ending "totalizer" readings, stated delivered amounts per the vendor, and a physical measurement of the fuel tanks.	Beginning in December 2014, Facility Operations will begin reconciling fuel inventories on hand on a monthly basis using beginning and ending fuel pump readings, stated delivered amounts per the vendor, and a physical measurement of the fuel tanks.	December 2014	Temporarily on hold pending implementation of card swipe reader and fuel cards
	2. The current process for accessing the pumps makes it difficult to precisely assign accountability for pump access and activity and the hand-written fuel logs used to record the amount of fuel dispensed increases the risk of missing, erroneous, or illegible entries.	Facility Operations should investigate the feasibility of installing a card swipe reader (e.g. for employee Eagle Access Cards) for improved accountability of fuel pump access and electronic recording of fuel dispensed, vehicle number, and mileage (if possible).	Facility Operations is currently investigating the feasibility of installing a card swipe reader (e.g. for employee Eagle Access Cards) on the E87 fuel pump for improved accountability of fuel pump access and electronic recording of fuel dispensed, vehicle number, and mileage (if possible). Facility Operations anticipates having a card swipe reader installed in the spring of 2015.	Spring 2015 Revised: September 2015 March 2016	Card reader installed Fuel cards to be issued and in use by October 31, 2016

**University of Southern Indiana
 Audit Recommendations Matrix
 Calendar Year 2015**

AUDIT NAME	OBSERVATION	RECOMMENDATION	RESPONSE	TARGET	STATUS
Community Health Centers Claims Processing and Cash Controls					
	2. There is currently no independent reconciliation of payments posted in athenahealth to the bank deposits.	Health center management should provide the Business Office cashier and the health center accountant with a daily receipts report generated from the athenahealth system which can be used by cashier and accounting personnel to reconcile cash and checks posted in Athena to the deposit slips and data reflected on the Fifth Third Bank and U.S. Bank statements.	The operations manager is developing procedures to provide the Business Office cashier and the health center accountant with a daily receipts report generated from the athenahealth system which can be used to reconcile cash and checks posted in athenahealth to the deposit slips and data reflected on the bank statements.	6/30/2015 Revised: September 30, 2015 March 31, 2016 September 30, 2016	Deposit report created, but not reconciled to payments posted
	4. The community health centers recently transitioned from the eClinicalWorks (eCW) health record system to the athenahealth record system. As a result of the conversion, access to historical patient data residing on the eCW system is limited and user support is minimal.	Migrate patient data from eCW to athenahealth. If a data conversion is cost-prohibitive, consider generating electronic images of patient history and scanning or attaching to patient records in athenahealth. Upon completion of the migration, patient data could be scrubbed from the eCW system and the server could be decommissioned.	The operations manager is currently interviewing student workers to assist with printing historical patient chart information from eCW, which can be scanned and attached to patient records in athenahealth. Management anticipates the project will begin by June 19, 2015. Upon completion of copying patient information to the athenahealth record system, management will determine historical patient and billing data retention requirements, work with EVSC personnel to scrub patient data from the eCW system (if no longer needed), and decommission the server by August 31, 2015.	August 31, 2015 Revised: September 30, 2015 April 30, 2016	In Progress Some patient data copied to new system, but eCW system is still being utilized Evaluation of need to maintain the local eCW server complete A draft of a Business Associate Agreement was delivered to the EVSC on August 8, 2016, which describes the EVSC's responsibility to safeguard protected health information.
	5. There is currently no review of patient account adjustments by personnel independent of the billing and collection functions.	Provide the health center accountant with a daily, weekly, or monthly adjustments and write-offs report generated from the athenahealth system which can be used to monitor adjustment and write-off activity.	The operations manager is planning to complete a review of month-end processes with Athena personnel by July 31, 2015, with the objective of identifying reports detailing adjustments and write-offs available from the athenahealth system for distribution to the health center accountant.	July 31, 2015 Revised: August 31, 2015 March 31, 2016 September 30, 2016	
	6. The community health centers must operate with a very lean staffing model and do not have a formal plan to ensure continuity in their eligibility to bill and receive payment from Medicare and Medicaid when turnover in the nurse practitioner position occurs.	Evaluate the feasibility and cost effectiveness of establishing contingency plans to limit the potential exposure associated with turnover in the nurse practitioner position.	The operations manager will schedule a meeting to occur by July 10, 2015, with the dean of the College of Nursing and Health Professions to evaluate the feasibility and cost effectiveness of establishing contingency plans for turnover in the nurse practitioner position. The objective of the meeting will be to identify ways to continue to provide and bill for services when turnover occurs until a new full-time nurse practitioner is hired and enrolled with Medicare and Medicaid.	Meeting: July 10, 2015 Contingency Plan	Completed Completed - Staffing consists of two full-time nurse practitioners and up to three individuals credentialed as back-up in the event of turnover in the full time positions
	7. There may be some inconsistencies in the athenahealth system user roles and permissions granted to community health center personnel performing similar duties. Additionally, there may be users that have permissions allowing them access to perform functions in athenahealth beyond the scope of their responsibilities (e.g. encounter signoff, superuser, and supervising provider permissions).	Perform a review of athenahealth users and their access rights. The review should pay particular attention to users that have the ability to perform user administration, approve patient encounters, have superuser access rights, and perform other functions that should be limited to certain personnel.	The operations manager will perform a review of athenahealth users and their access rights for appropriateness with respect to each individual's role within the health clinics.	July 31, 2015 Revised: September 30, 2015 March 31, 2016 October 31, 2016	

**University of Southern Indiana
 Audit Recommendations Matrix
 Calendar Year 2015**

AUDIT NAME	OBSERVATION	RECOMMENDATION	RESPONSE	TARGET	STATUS
Federal Student Aid Compliance	4. Approximately 200 credit balances created by the disbursement of federal student aid were not paid to students within 14 days after the credit balance occurred, which is a violation of federal regulations governing the disbursement of Title IV aid.	<p>The Bursar's Office should evaluate the processes and resources associated with reviewing and processing Title IV credit balance refunds and consider the following items to improve compliance:</p> <ol style="list-style-type: none"> 1. Evaluation of the adequacy of personnel to assist with processing 2. Creation of departmental checklists 3. Evaluation of the existence and adequacy of documented procedures 4. Potential for the creation of daily reporting on Title IV credit balances to assist in monitoring and managing the workload within the regulatory requirements 5. Automate a portion of the process 	<p>The University controller and bursar have completed an evaluation and the following actions will be taken:</p> <ul style="list-style-type: none"> - In January 2016, the associate bursar will become the primary refund processor with the special payment accountant serving as the backup - Beginning January 15, 2016, the bursar will begin a weekly review of a new report showing the number of days which a credit balance has existed, document any exceptions, and archive the report to a shared drive as evidence of the control - By March 31, 2016, the bursar will document the new process for student account refunds, document roles and processing timelines, and develop a checklist of essential tasks in the refund process - The bursar will work with Information Technology to investigate opportunities for automating some of the refund process . This review will be conducted by August 2016. 	<p>Transition processing and backup responsibility: January 2016</p> <p>Bursar perform weekly review of credit balance report: January 15, 2016</p> <p>Document process, roles, timelines, and checklist: March 31, 2016</p> <p>Review process for automation opportunities: August 2016</p>	<p>Completed</p> <p>Completed and ongoing</p> <p>Completed</p>

**University of Southern Indiana
 Audit Recommendations Matrix
 Calendar Year 2016**

AUDIT NAME	OBSERVATION	RECOMMENDATION	RESPONSE	TARGET	STATUS
eProcurement Control Review					
	1. There is currently not a formal change control process for documenting change requests and modifications to the BuyUSI (ESM) workflow priorities.	Implement a formal change control procedure for workflow priorities including the following: 1. Documentation of the existing workflow priority 2. Documentation of the requested change (including the requestor and what is being requested) 3. Evidence of the interpretation of the request by the person who will implement the change and requestor approval of that interpretation (to ensure business objectives are met) 4. Evidence of independent review of workflow modifications or the new workflow priority as entered into ESM compared to the documentation	The accounts payable manager and business office manager of information systems will create an internal request form by May 27, 2016 for use when procurement management would like to create a new workflow priority or change an existing workflow priority. The form will be used for changes to the workflow configuration related specifically to workflow priority numbers and sequencing. The forms will be retained by either the accounts payable manager or business office manager of information systems as support for any changes, along with emails notifying procurement management that the change has been completed.	5/27/2016	Completed
	2. BuyUSI assigns a workflow to requisitions according to criteria (e.g. fund/org, order type, and dollar value) entered when initiated by the requestor. The current user permissions for financial managers allow for edits to the fund/org, order type, or quantity that could make the assigned workflow invalid. Furthermore, based on testing performed by procurement personnel, ESM was not designed to detect such changes and alter the workflow once in process.	Remove the ability for financial managers to edit fund/org, order type, unit price, and order quantity.	Procurement management will evaluate the feasibility and impact of removing the ability to edit requisitions from financial manager user profiles by April 29, 2016. Based on the results of the evaluation, Procurement will either remove the ability of financial managers to edit requisitions or change the process where every edit by financial managers triggers a new workflow back to the original requestor by May 27, 2016.	Removal of edit capability: May 27, 2016	Completed
Independent Textbook Buyers on Campus					
	1. The Campus Solicitation Policy does not clearly prohibit solicitation by independent textbook buyers, which has led to inconsistencies within the colleges and departments with respect to the procedures and expectations for the disposal of textbooks.	Develop and publish a policy which clearly prohibits independent textbook buyers from soliciting faculty and staff for the purchase of textbooks. Concepts that should be considered for the policy include: 1. A statement prohibiting all independent textbook buyers from soliciting faculty and staff for the purchase of textbooks on the grounds, in the buildings, and/or on equipment or networks owned/operated by the University 2. An explanation of how the sale of complimentary textbooks to independent textbook buyers adversely affects the entire academic community 3. Instructions for faculty and staff regarding how to respond when approached by such solicitors 4. Potential disciplinary action for employees found to have violated the policy	A new policy titled, "Solicitors On Campus -- Independent Textbook Buyers" has been drafted to clarify the University's position that independent textbook buyers are prohibited from soliciting on the grounds, in the buildings, and/or on equipment or networks owned/operated by the University. The policy will be announced and distributed to all employees and included in the Employee Handbook at the start of the Fall 2016 semester. Practical alternatives for the appropriate disposal of unwanted desk and examination textbooks will be included with the announcement of the policy.	Announcement and publication of policy: Fall 2016 semester	

**University of Southern Indiana
General Repair and Rehabilitation
2015-2017
Project List, Cost Estimates, and Priorities**

2016 - 2017 Fiscal Year

1. Rebuild Science Center Air Handling Unit-1	\$ 325,000
2. Replace Art Center Ballasted Roof	\$ 120,000
3. Physical Activities Center Tunnel Enlargement and Mechanical/Electrical Renovation	<u>\$ 553,750</u>
Total	\$ 998,750

University of Southern Indiana Finance/Audit Committee Charter

Purpose:

The Finance/Audit Committee (“Committee”) is responsible for reviewing and making recommendations to the Board of Trustees (“Board”) regarding the institution’s financial accounting and financial reporting, internal controls, risk management, proposed financial budgets and goals and to assist the Board in fulfilling its responsibilities to oversee the financial management of the University of Southern Indiana.

Membership

The Finance/Audit Committee will consist of a minimum of four trustees, and the Board of Trustees will select one of these members to serve as Committee chair. Each Committee member must be independent of management of the University and free of any relationship that would impair such independence. Members may not receive consulting, advising or other fees from the University or any affiliated foundation or entity related to the University.

The majority of the Committee members should have working knowledge of basic financial statements.

The University’s Chief Financial Officer and Internal Auditor serve as staff to the committee.

Meetings

The Finance/Audit Committee shall meet at least four times per year with regular reports to the Board. Additional meetings may be held as the circumstances dictate. The meetings will be open to the public, and the Committee will invite members of the administration, faculty or others to attend meetings and provide pertinent information. The Committee may, from time to time, schedule joint meetings with other standing committees of the Board.

Committee Authority and Responsibilities

The Committee should have the power and authority to perform the following duties and fulfill the following responsibilities:

Internal Controls and Audit

- Review the University’s accounting and financial-reporting controls with senior management.
- Make certain that the internal auditors keep the Committee informed about deficiencies in internal controls, as well as any instances of fraud, unlawful acts and other audit-related matters.
- Ensure that internal-control recommendations made by internal and State of Indiana auditors have been implemented by the University.
- Approve which aspects of internal-controls and compliance procedures should be tested annually by internal and external auditors.
- Understand the nature of significant deficiencies and material weaknesses reported to the Committee.

Financial Statements and Risk Management

- Receive and review the University's annual financial reports and recommend the reports to the full Board. These reports shall include, but not be limited to, the annual external auditor's report on financial statements and the adequacy of internal control.
- Monitor the financial performance of the Institution against the approved budget.
- Establish and monitor formal risk-management programs for finance, compliance and reputational risks, and report major financial risks and the University's risk management activities.

Compliance

- Review the effectiveness of the University's system for monitoring compliance with laws and regulations.
- Review the effectiveness of and any issues arising from the University's annual reporting on conflict-of-interest disclosures for faculty, staff and members of the Board.
- Review the University's ethics and conflict-of-interest policies on an annual basis and make recommendations to the Board for changes as appropriate.
- Establish and maintain whistleblower policies and practices.
- Review and re-assess the adequacy of this charter annually and propose changes to the Board for approval.