

**University of Central Missouri**  
**Board of Governors**  
**Finance and Administration Committee of the Whole**  
**October 13, 2016**

The University of Central Missouri (UCM) Board of Governors Finance and Administration Committee met as a *Committee of the Whole* at 1:15 p.m. on Thursday, October 13, 2016, on UCM's main campus in Warrensburg, Missouri. Board members attending the meeting included Governors Gus Wetzel II, John Collier, Marvin E. Wright, Mary Long, Mary Dandurand, Walter Hicklin, Weldon Brady, and Mathew Martinez. Also present was University President Charles Ambrose; General Counsel Hayley Hanson; Assistant Secretary to the Board Monica Huffman; Vice President for Finance and Administration Doug Hawks; and Kaleb Lilly and Graham Ryan of RubinBrown.

After calling the meeting to order, Dr. Wetzel turned the meeting over to Committee Chair Collier to preside, who then called on President Ambrose.

President Ambrose introduced Kaleb Lilly, partner with RubinBrown. Mr. Lilly introduced Mr. Graham Ryan, who is the manager of UCM's account. Following introductions, Mr. Graham reviewed the content of the *Auditor Communication* which was included with the presentation contained in the Board's meeting packet (see Attachment 10 of the October 14, 2016, Plenary Session Minutes). Mr. Graham also provided an overview of New Accounting Pronouncements that included GASB Statement No. 75 and GASB Statement No. 82

Rubin Brown briefly discussed the contents of Management Letter, Financial Statements, and Single Audit. It was noted that changes to lease liability rules will become effective in 2020 and at that time leases will be treated as a liability on financial statements. In summation, this year's report was very favorable and resulted in an unmodified and clean opinion of the University's financial statements and single audit.

President Ambrose expressed appreciation to RubinBrown and to UCM's Finance Department staff. He added UCM is the beneficiary of good board leadership, and the University's positive performance is the result of the Board's good fiscal management.

Mr. Brady asked if there is a long-term plan to avoid future liabilities with regard to MOSERS. A response was made that the total amount of the change in the MOSERS pension liability amounted to an increase of \$317,767. Although, the noncurrent pension liability now totals \$91,236,621, an increase of \$26.6 million over the prior year, it is the change in the deferred inflows and outflows that offset this which accounts for change in valuation measurements and investment gains/losses. Mr. Collier noted that when MOSERS announced the shortfall, it was anticipated some schools would be unable to pay their portion of the liability. He asked if this is the reason costs continue to increase. Mr. Lilly responded yes, that the difference has to be made up somewhere, which results in additional costs to the University each year.

Mr. Wright asked if there is any particular area the Board should direct its attention to over the next year. Mr. Lilly said that UCM is in a good place with its policies and procedures and the Finance Division is very reactionary to any new mandates issued. He suggested when The MIC facility opens to monitor revenues and expenses. Otherwise, there are no concerns.

### **Adjournment**

There being no further business to discuss, the meeting adjourned at 1:50 p.m.