

***University of Central Missouri  
Board of Governors  
Work Session  
December 11, 2025***

The University of Central Missouri (UCM) Board of Governors convened in a Work Session on December 11, 2025, at 11:31 a.m. in Union 237A on UCM's main campus in Warrensburg, Missouri. Presiding over the meeting was Board President John Collier. Others participating in the meeting were Governors Stephen Abney, Mary Dandurand, Stu Rogers, Gus Wetzel II, and Ken Weymuth; Student Governor Hadley Oden; University President Roger Best; General Counsel Lindsay Chapman; Assistant General Counsel and Policy Director Holly Weiss; and Assistant Board Secretary Kristen Plummer. Presenters included Mr. Bill Hawley, Vice President for Finance and Operations, and representatives from Forvis Mazars: Mr. Kyle Miller and Ms. Allison Gardner.

**Call to Order** - Agenda Item No. 1

Mr. Collier called the meeting to order and determined a quorum was present to conduct business.

**External Audit Report** - Agenda Item No. 2

Mr. Hawley introduced the representatives from Forvis Mazars in attendance, including Mr. Miller, who led the audit engagement; Ms. Gardner, who handled the federal funds on the single audit; and Mr. Logan Harris, who served as the audit in charge. Copies of the audited financial statements, required governance communication letter, and presentation PowerPoint slides were provided to the Board.

Mr. Miller reviewed the Forvis Mazars firm background, and Ms. Gardner highlighted the full audit team members and provided an overview of the UCM audit timeline. She noted the final compliance supplement, which is the Office of Management and Budget (OMB) guide for how to audit compliance with major federal programs, was not issued until the week of Thanksgiving in November 2025. Mr. Miller explained Forvis Mazars' ASSURE methodology and the risk-based audit approach that was used.

Ms. Gardner reviewed the process used to test the newly adopted Governmental Accounting Standards Board Statement No. 101 (GASB 101) on compensated absences. She noted this required the university team to pull information from previous fiscal years to analyze it and understand how this standard impacted UCM. It was ultimately determined that no additional liability needed to be reported under GASB 101 and that the standard's implementation had no impact on the financial statements.

Mr. Miller reported that a clean or unmodified opinion has been issued, which is the highest level of opinion that can be provided, and reviewed a few highlights from the financial statements. He noted that in the Statements of Revenues, Expenses, and Changes in Net Position, the line for Capital Grants and Gifts under Other Revenues, Expenses, Gains, or Losses is where the \$21 million in Humphreys Building renovation revenue from grant funds appears. He stated that the total increase in net position or net income was \$8.7 million, driven primarily by increases in federal and state funding and offset by increases in compensation and scholarships. In response

to Mr. Weymuth's question about the unfunded portion of MOSERS, Mr. Miller referenced the Schedule of the University's Proportionate Share of the Net Pension Liability and the Schedule of the University's Pension Contributions to MOSERS over the last ten fiscal years, found on pages 59 and 60 of the financial statements. MOSERS is currently at approximately 52% funded, and it has increased each member's required contribution percentage each year. He noted it is the university's single largest liability. When reviewing the statement of net position, UCM and all State of Missouri public universities report a negative unrestricted net position to reflect the portion of the pension liability. Mr. Abney asked whether all universities had made their contributions, and Mr. Miller confirmed that all those they work with had done so. Dr. Best added that the unfunded liability is not actually paid; it is shown as a what-if. Each university in the state system does pay the same percentage of payroll, which must be included in the budget each year.

Ms. Gardner stated that the federal funds audit component was not included in the audit report due to the delay in issuing the compliance supplement she noted earlier. Although delayed, she stated the process was good this year and highlighted the increase in the schedule of expenditures for federal awards to \$72.3 million, primarily from the ARPA funding for the Humphreys Building renovations and an increase in Pell Grants due to the simplification of the FAFSA. Based on the expenditures, Ms. Gardner stated that one major program, student financial aid, was audited. She shared that they have completed the work to the point that she could report to the Board that there are no compliance or internal control findings. The audit team is currently performing its quality review process, and once complete, the long-form audit report will be issued, which will include the federal funds piece.

Mr. Miller provided an overview of the required communication to governance letter, reporting that there were no issues with the audit and that it was completed in a timely manner. They did identify one item as a potential adjustment related to the year-end utility accrual. The number was not required to be adjusted, as it was not material and could have been passed on, but the UCM team accrued the extra utility piece because they wanted to get it right. Mr. Miller thanked the UCM team and expressed appreciation for their time in providing needed items for the audit.

Mr. Abney asked where in the report a general operating statement showing the profit and loss for the year could be found, in order to see what the net was for the year. Mr. Miller directed him to the Statements of Revenues, Expenses, and Changes in Net Position beginning on page 18 of the financial statements. Mr. Miller noted that governmental accounting standards require certain pieces to be called operating revenues and others to be called nonoperating revenues. However, he stated that with the way an entity such as the university works, the state appropriations and state and federal grants are really part of the operating revenues. By adding the total operating revenues plus net nonoperating revenues and subtracting total operating expenses, there was approximately a \$12.5 million loss before other revenues and expenses, shown on page 19. Mr. Miller provided an overview of the Statement of Cash Flows on page 21. In response to Mr. Abney's question regarding the revenue from the reserves, Mr. Miller confirmed that investment income is included in the nonoperating revenues.

Mr. Abney additionally asked where in the audit the university reserves, less the needed operating cash flow, could be found. Mr. Miller responded that it is not broken out in the financial statements. However, an estimate could be determined from the cash and investments on hand

shown in the Notes to the Financial Statements on page 30. Mr. Abney asked whether the operating funds were included in that number, and Mr. Miller confirmed they are.

Mr. Hawley thanked Forvis Mazars and the UCM team for their work on the audit. Mr. Abney also thanked the UCM team, noting that the audit was much improved from previous years.

**Other** - Agenda Item No. 3

There was no other business to discuss. The meeting adjourned at 12:15 p.m.