

THE UNIVERSITY OF WYOMING

MINUTES OF THE TRUSTEES

SPECIAL MEETING

Tuesday, December 14, 2010

**Final Minutes can be found on the University of Wyoming Board of Trustees website at
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**THE UNIVERSITY OF WYOMING
“SPECIAL” MEETING OF THE BOARD
MINUTES OF THE TRUSTEES**

**Tuesday, December 14, 2010
8:00-9:00 a.m.; in T&P Room, Old Main 321/Conference Call
[no Trustees participated in person]**

AGENDA

Call to Order	1
Roll Call	1
Public Session	
1. Audited Annual Financial Reports, Vinzant	1
Adjournment	2
 Attachments	
1. Board of Trustees Narrative entitled: <i>Audited Annual Financial Reports, Vinzant</i>	3

Call to Order

President of the Board of Trustees Jim Neiman called the meeting to order at 8:04 a.m.

Roll Call

Deputy Secretary for the Board Shannon Sanchez took roll.

Trustees who participated included: Trustees Dave Bostrom, Chuck Brown, Dick Davis, Betty Fear, Taylor Haynes, Warren Lauer, Jim Neiman, Dave Palmerlee, Ann Rochelle, and Howard Willson. Ex-officio Trustees President Tom Buchanan and ASUW President Cameron Nazminia participated on the call. Trustees Mead and Trosper, and Ex-Officio Trustee Governor Dave Freudenthal were not on the conference call.

Jim Hearne, Partner, in the firm McGee, Hearne & Paiz, participated on the conference call.

Public Session

1. Audited Annual Financial Reports, Vinzant

Associate Vice President for Fiscal Administration Janet Lowe led the discussion with the Board. She stated that FLAC Chair Trustee Haynes would provide comment when he joined the conference call.

The University of Wyoming prepares five separate financial reports that are audited by an independent public accounting firm. At their November Board of Trustees meeting, the Board approved three audited annual reports for the University’s Bond Funds, Wyoming Public Media, and Intercollegiate Athletics. Today, the Board is being asked to approve the two remaining annual reports, the **Financial Report** and **Compliance Report**.

Associate Vice President Lowe commented that the University and the auditors are working to improve the process, and hope to have all reports prepared in time for approval at the November Board meeting next year. Associate Vice President Lowe stated that there was only one other year these reports were voted on separately by the Board. The reports are typically approved at the same time.

Jim Hearne, Partner, in the firm McGee, Hearne & Paiz provided a brief overview of the letter prepared for the Board and the reports presented. There was brief discussion by the Board regarding federal reporting requirements.

In discussing the letter presented to FLAC and the Board of Trustees by the firm McGee, Hearne & Paiz, Mr. Hearne stated there were no disagreements with management, and no significant issues or difficulties. He commented that the turnover in personnel at the University was challenging, but everyone had a good spirit in getting these reports completed. Mr. Hearne then thanked the University for its cooperation.

Trustees Haynes thanked Jim Hearne for his service. Trustee Palmerlee stated that he feels confident about these reports and commends all for their work on making this happen.

Trustee Haynes moved to accept the audit and financial report from the external auditors and committee as recommended and presented, Trustee Davis seconded the motion, which passed unanimously.

There was no other business to come before the Board.

Adjournment

The Board of Trustees President Jim Neiman adjourned the meeting at 8:25 a.m.

Respectfully submitted,



Shannon Sanchez
Deputy Secretary, Board of Trustees

AGENDA ITEM TITLE: Audited Annual Financial Reports, Vinzant

CHECK THE APPROPRIATE BOX(ES):

- Work Session
 Education Session
 Information Item
 Other Specify: Committee of the Whole (Consent Agenda)

Jim Hearne, Partner, in the firm McGee, Hearne & Paiz, will lead a discussion about the University’s two remaining annual audited financial statements and reports.

BACKGROUND AND POLICY CONTEXT OF ISSUE:

Accountability is the paramount objective of institutional financial reporting. It is the University’s duty to be accountable to the public and to provide information that responds to the needs of three groups of primary users of general-purpose financial reports:

- the citizenry;
- the governing board, the legislature and oversight bodies; and
- investors and creditors.

Meaningful financial reports and accompanying notes provide information useful for assessing financial condition and results of operations, assisting in determining compliance with finance-related laws, rules, and regulations, and assisting in evaluating efficiency and effectiveness of operations. Preparation of these statements and reports are the responsibility of University management; however, it is the audit function that provides an external examination of these financial statements and reports.

The University of Wyoming prepares five separate financial reports that are audited by an independent public accounting firm. McGee, Hearne and Paiz, LLP of Cheyenne, Wyoming, was awarded a four-year engagement to conduct the annual audit for fiscal years 2010 through 2013, subject to evaluation of the audit firm’s performance. At their November meeting, the Board of Trustees approved the three audited annual reports for the University’s Bond Funds, Wyoming Public Media, and Intercollegiate Athletics.

The two remaining annual reports, their purpose, and deadlines for submission to regulatory agencies are:

- **Financial Report** - In accordance with required reporting standards, this report has three components: 1) management’s discussion and analysis, 2) institution-wide financial statements; and 3) notes to the basic financial statements. Required supplementary information is included in addition to the basic financial statements. The auditors express

an opinion that these financial statements present fairly, in all material respects, the financial position of the University of Wyoming as of the fiscal year end, and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The University of Wyoming is a component unit of the State of Wyoming. As such, the University’s **Financial Report** is part of the Comprehensive Annual Financial Report prepared by the State Auditor’s Office in accordance with W.S. 9-1-403 (a)(v). It must be submitted to the State by December 31st.

- **Compliance Report** – As part of obtaining reasonable assurance about whether the University’s financial statements are free of material misstatement, the auditors perform tests of our compliance with certain provisions of laws, regulations, contracts and grants, noncompliance of which could have a direct and material effect on the determination of financial statement amounts. The auditors do not express an opinion on compliance with those provisions, instead they report that the results of their tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Non-federal entities that expend \$500,000 or more a year in federal awards are required by the United States Office of Management and Budget (OMB) to have a “single audit.” The **Financial Report** and the **Compliance Report** together comprise a “single audit.” This reporting package is submitted to the Federal Audit Clearinghouse within the earlier of 30 days after receipt of the auditor’s report, or nine months after the end of the audit period. OMB Circular A-133 sets forth the standards for obtaining consistency and uniformity among federal agencies for the audit of States, local governments, and non-profit organizations expending federal awards. The Compliance Report is often referred to as the A-133 audit.

PRIOR RELATED BOARD DISCUSSIONS/ACTIONS:

- Annually – The Board accepts and approves Audited Financial Reports of the University of Wyoming each year.
- November 18-20, 2010 – the Board of Trustees approved the Bond Funds, the Wyoming Public Media, and the Intercollegiate Athletics audited annual reports.
- December 9, 2010 – The Fiscal and Legal Affairs Committee of the Board met with Jim Hearne of McGee, Hearne & Paiz and university personnel to review and discuss the two remaining audited annual reports. The Committee recommended that the Board of Trustees approve the University Financial Report and the A-133 Compliance Report.

WHY THIS ITEM IS BEFORE THE BOARD:

The Board of Trustees is responsible for assuring that the University’s organizational culture, capabilities, systems and processes are appropriate to protect the financial health and the reputation

of the University in audit-related areas. The presentation of annual audited financial reports is intended to inform the Board about significant matters related to the results of the annual audit so that they can appropriately discharge their oversight responsibility.

ARGUMENTS IN SUPPORT:

Annual financial reports serve various functions and have numerous audiences. They not only serve to inform the campus community of the institution’s financial condition and results of operations, they are required by various governmental, regulatory and rating agencies; holders of the institution’s bonds; and accrediting agencies. The Board of Trustees is held to a high standard of full financial disclosure, transparency and accountability: public acceptance and approval of the financial reports completes the audit cycle, helps tell the University of Wyoming’s financial story and assists the Board in exercising their fiduciary responsibilities.

ARGUMENTS AGAINST:

None

ACTION REQUIRED AT THIS BOARD MEETING:

Approval of the University Financial Report and the A-133 Compliance report for the fiscal year ended June 30, 2010.

PRESIDENT’S RECOMMENDATION:

The President recommends approval of the audited annual University Financial and A-133 Compliance Reports.