

BOARD OF REGENTS

EASTERN MICHIGAN UNIVERSITY

SECTION: 15

DATE:
February, 24, 2009

RECOMMENDATION

FINANCE AND AUDIT COMMITTEE

ACTION REQUESTED

It is recommended that the Board of Regents receive and place on file the minutes from the November 18, 2008 Finance and Audit Committee meeting and the Informational Reports and Financial Updates and Working Agenda for the February 24, 2009 meeting.

STAFF SUMMARY

November 18, 2008 Meeting

Regular Agenda items discussed at the November 18, 2008 Finance and Audit Committee were Staff Separations/Retirements and Staff Appointments as of October 24, 2008 as well as the Informational Reports and Financial Updates as of September 30, 2008. The Committee reviewed the recommendations to the Board for:

- FY2010 Capital Outlay Budget Request
- TIAA-CREF Retirement Plan Administrative Requirements
- Pray-Harrold Architect/Engineering Contract
- Authorization for Budget Adjustments

The Committee received a presentation from the EMU Foundation on its FY2008 Annual Report.

February 24, 2009 Meeting Agenda

Regular agenda items include Staff Separations/Retirements and Staff Appointments as of January 31, 2009 as well as the Informational Reports and Financial Updates as of December 31, 2008. The Committee also will review recommendations to the Board for:

- University Naming Policy
- Pray-Harrold program Statement
- Internal Auditor Appointment and Contract
- Investment Advisor Contract
- WEMU Broadcast Tower Lease Agreement
- WEMU Filing of FY2008 Financial Statements

FISCAL IMPLICATIONS

None

ADMINISTRATIVE RECOMMENDATION

The proposed Board action has been reviewed and is recommended for Board approval.

University Executive Officer

Date

**Eastern Michigan University
Finance and Audit Committee
Meeting Minutes
November 18, 2008**

Present: Regents F. Parker, R. Wilbanks, F. Clack, J. Stapleton, J. Lumm

CONSENT AGENDA

Section 1: Recommendation Staff Appointments

The University recommended to the Board of Regents to approve 12 staff appointments for the reporting period of September 1, 2008 through October 24, 2008.

Section 2: Recommendation Staff Separations/Retirements

The University recommended to the Board of Regents to approve 6 separations and retirements for the reporting period of September 1, 2008 through October 24, 2008.

INFORMATIONAL REPORTS

Section 17: Recommendation Monthly Reports – Finance and Audit Committee, Informational Reports and Informational Presentations

John Lumm noted that the Grants and Contracts report indicated that awards totaling \$4.9M were received during the months of September and October. On a YTD basis through October 31, awards for FY 08-09 totaled \$7.9M an increase of \$2.2M (39%) over the same period 2007-2008. YTD proposals submitted in 2008-09 totaled \$21.1M, up 85% from 2007-08. He also stated that based on the dollar value, 85% of the 2008-09 awards were federal, 12% were from foundations and state/local governments, and 3% were from business and industry.

John reported that under Strategic Initiatives Progress Phase I of the University's new email system (EagleMail) was implemented successfully on October 3. More than 30,000 EagleMail accounts were established. Functionality includes email, briefcase, personal address book, calendar, tasks and basic synchronization with mobile devices. Anticipated rollout of Phase II planned for Q1 of 2009 will expand functionality with shared calendars and documents. EMUs Computer Refresh program is on track with over 300 systems ordered and upgrades to our ERP System are continuing for Banner and Oracle.

As of September 30, 2008, EMU's cash and investments balance was \$90.9M, consistent with budget and equivalent to 109 days cash on hand. The September 30 total included \$68.3M in Auction Rate Notes and \$22.6M in cash and Money Market Funds. The University's YTD annualized portfolio return through September 30 was 3.02%.

During the month of October, all of the University's Auction Rate Notes were re-purchased by Comerica Securities at their full par value. Presently, the University's approximately \$90M in cash is placed in secure, liquid investments (Treasury bills, Money Market Funds and CDs).

Student Accounts Receivable totaled \$31.9M at September 30, \$4.9M (18%) over the September 30, 2007 level. By October 31, accounts receivables were \$21.1M, \$1.1M (5%) over the October 31, 2007 level.

The University's unrestricted net assets at September 30 were \$91.0M, consistent with budget. Total net assets at September 30 were \$274.4M, also consistent with budget.

Financial Updates for Operating Budgets First Quarter through September 30, 2008

Revenues for the first three months of the Fiscal Year in both the General (\$90.5M) and Auxiliary (\$9.9M) funds were consistent with budget. YTD General Fund expenditures for the first quarter of fiscal year 2008-09 were \$61.2M or 23.3% of the annual \$262.7M budget, consistent with the first quarter of 2007-08.

General Fund expenditures YTD are in line with budget in total, our interest expense is over budget and utilities expense is under budget. The higher interest cost reflects the capital market challenges and the lower utilities costs is a result of reductions in natural gas prices. YTD Auxiliary Fund expenditures through the first quarter were \$8.2M (23.2%) of the annual expenditure budget. YTD operating surpluses for both the General and Auxiliary Funds of \$29.3M and \$1.7M respectively are consistent with budget and reflect normal seasonality.

Section 18: Recommendation FY 2010 Capital Outlay Budget Request

It is recommended that the Board of Regents approve the FY 2010 Capital Outlay Budget Request. The renovation of Strong Hall has been identified as the University's top capital project. The estimated cost to renovate Strong Hall is \$38 million. The University's cost share is \$9.5 million or 25% of the total project cost.

Section 19: Recommendation TIAA-CREF Retirement Plan – Pension Protection Act Administrative Requirements

It is recommended that the Board of Regents authorize the President to take such action and execute such documents necessary to ensure that University's 403 (b) Defined Contribution Retirement Plan and 403 (b) Supplemental Plan are in compliance with the Pension Protection Act and IRS 403 (b) regulations, which are effective January 1, 2009. The new regulations will not impact ongoing costs of the University's Retirement Plans and one-time costs are included in the University's 2008-09 General Fund Budget.

Section 20: Recommendation Pray-Harrold Architect/Engineering Contract

It is recommended that the Board of Regents grant signatory authority to President Susan W. Martin to sign a contractual agreement with the architect/engineering firm for professional architectural and engineering design services for the modernization/renovation of the University's Pray-Harrold Building. The estimated cost of these services is \$2.4 million. These expenses will be paid from the Pray-Harrold project budget.

Section 21: Recommendation Budget Adjustment

It is recommended that the Board of Regents grant authority to President Susan W. Martin to take such action necessary to reduce the expenditure budget that was approved by the Board as part of the 2008-09 General Operating, Auxiliary and Capital Budgets. The President shall consult with the Board Chair, Vice Chair and the Chair of the Board's Finance Audit and Investment Committee regarding proposed expenditure budget reductions. The recommendation authorizes the President to reduce the fiscal year expenditure budget in the event revenues decline due to a reduction in State of Michigan appropriations and/or enrollment shortfall.

Section 22: Recommendation 2007-2008 Eastern Michigan University Foundation Annual Report

It is recommended that the Board of Regents receive and place on file the EMU Foundation Annual Report for the year ended June 30, 2008. Annual Foundation report is part of the agreement with the University. The report was created with half of the report being the Foundation, the other half being the University as a cost savings measure of \$17,000.

The Regents expressed some concerns and confusion over how some reports were combined. Regent Wilbanks suggested that focus groups are put together to collect information to ensure that future Annual Reports provide appropriate recognition to donors.

Meeting was adjourned at 12:00 PM.

Respectfully Submitted,

Tammy Morle

BOARD OF REGENTS

EASTERN MICHIGAN UNIVERSITY

201 WELCH HALL

(734) 487-2410

Tuesday, February 24, 2009

2:00 PM

FINANCE AND AUDIT COMMITTEE

CONSENT AGENDA

Section 1: Recommendation: Staff Appointments Report

Section 2: Recommendation: Staff Separations/Retirements Report

REGULAR AGENDA

- Section 15: Recommendation: Informational Reports and Financial Updates
- Minutes from November 18, 2008
 - February 24, 2009 Finance and Audit Committee Agenda
 - Executive Summary
 - Grants and Contracts
 - Strategic Initiatives Progress Report
 - Financial Reports
- Section 16: Recommendation: University Naming Policy
- Section 17: Recommendation: Pray-Harrold Program Statement
- Section 18: Recommendation: Internal Auditor Appointment and Contract
- Section 19: Recommendation: Investment Advisor Contract
- Section 20: Recommendation: WEMU Broadcast Tower Lease Agreement
- Section 21: Recommendation: WEMU-FM Financial Statement, Filing of FY 2008

Eastern Michigan University
Board of Regents – Finance and Audit Committee
Informational Reports and Financial Update
(Executive Summary)

Consent Agenda – Staff Appointments and Separations/Retirements

- 22 staff appointments and 21 staff separations/retirements for the period October 25, 2008 through January 31, 2009 are recommended for Board approval.

Grants and Contracts (November 1, 2008 through January 31, 2009)

- Grant and contract awards totaling \$1.8M were received during the three month period.
- On a YTD basis through January 31, awards for fiscal year 2008-09 totaled \$9.5M, an increase of \$2.6M (37%) over the same period in 2007-08. YTD proposals submitted in 2008-09 totaled \$33.8M, up 80% from 2007-08.
- Based on the dollar value, 79% of the 2008-09 YTD awards were federal, 18% were from foundations and state/local governments, and 3% were from business and industry.

Information Technology – Strategic Initiatives Progress Report

- Phase 2 of the University's new e-mail system (EagleMail) was started in December with the pilot conducted this month. University-wide roll-out will begin in late March.
- Phase 2 includes shared features for e-mail folders, calendar, briefcase, address book, tasks and documents. Mobile push functions and instant messaging are also included in Phase 2.
- EMU's Computer Refresh program for the year is completed with 550 systems ordered.
- Upgrades to the University's ERP system (Banner and Oracle) are continuing and the University has joined the Apple iTunes University site (*EMU on iTunes U*)

Financial Update – Balance Sheet (as of December 31, 2008)

- EMU's cash and investments balance on December 31, 2008 was \$118M, equivalent to 140 days cash on hand. The cash (and net asset) levels are at their annual peak in December with cash for the two primary semesters collected -- the \$118M in cash and investments is consistent with budget. The University's YTD annualized portfolio return through December 31 was 1.67%. A recommendation is included on the Board agenda for the University to engage the services of an investment advisor, Fund Evaluation Group.
- Student accounts receivable totaled \$16.0M at December 31, 2008. We have been monitoring the receivables closely and at January 31, 2009 student accounts receivable were \$22.5M, an increase of \$0.8M (4%) over the Jan. 31, 2008 level.
- The University's unrestricted net assets at December 31, 2008 were \$103.6M, consistent with budget. Total net assets at December 31 were \$280.0M, also consistent with budget.

Financial Update – Operating Budgets (Six Months through December 31, 2009)

- Revenues for the first six months of the fiscal year in both the General (\$180.8M) and Auxiliary (\$17.4M) funds were consistent with budget.
- YTD General Fund expenditures for the first half of fiscal year 2008-09 were \$140.2M or 53.4% of the annual \$262.7M budget, consistent with the first half of 2007-08. Although General Fund expenditures YTD are generally in line with budget in total and for most cost elements, interest expense is over budget reflecting the capital market challenges. Largely offsetting the unfavorable interest costs has been favorable performance vs. budget for fringe benefit costs and utilities.
- YTD Auxiliary Fund expenditures through the first half were \$17.8M or 50.2% of the annual expenditure budget.
- Full Year Outlook – barring any significant unforeseen events, projections for the General Fund indicate we will finish the year at budget or very near for both revenues and expenditures. We continue to monitor expenses closely and take action as necessary. We also are identifying actions to increase Spring credit hours, the only significant variable remaining for this year's revenues.

Student Credit Hours – YTD Results and Full Year Forecast

- Through the Summer, Fall, and Winter semesters, 2008-09 student credit hours total 472,200 hours, a 2.4% reduction compared with the same period in 2007-08.
- The trends, however, are improving. On a year-to-year basis, credit hours were down 4.1% in the Summer, 2.9% in the Fall, and 1.6% in the Winter. For the Spring semester, we are working to achieve the first year-to-year increase in several years.
- The present forecast for the 2008-09 fiscal year is 513,100 credit hours, down 2.2% from 2007-08 and down 9.9% from the peak in 2003-04. The 2008-09 budget, including the 5,000 credit hour challenge, is 514,000 hours. At the 513,100 level, the University will have achieved 82% (4,100 hours) of the credit hour challenge.
- Although the present full year forecast for credit hours is slightly below budget (900 hours – 513,100 vs. 514,000), tuition revenue will meet (or slightly exceed) budget as the actual mix of credit hours (grad/undergrad, in-state/out state etc) has been favorable to budget.

**GRANTS AND CONTRACTS
FY 2009 PROGRESS REPORT
February 24, 2009**

	FY2009 Activity through 01/31		FY2008 Activity through 01/31		FY2007 Activity through 01/31		FY2009 vs. FY2008 Actual to Date Var.	
	No. to Date	Dollar Value to Date	No. to Date	Dollar Value to Date	No. to Date	Dollar Value to Date	No. to Date	Dollar Value to Date
Proposals by Activity:								
Research & Development	65	\$27,840,645	60	\$13,839,839	56	\$7,152,782	5	\$14,000,806
Service	35	\$3,126,394	38	\$2,706,897	34	\$3,529,834	(3)	\$419,497
Corporate/Community Training	10	\$1,415,551	51	\$877,982	121	\$4,525,731	(41)	\$537,569
Instructional Support & Other	13	\$1,400,127	9	\$1,384,473	11	\$1,256,180	4	\$15,654
Total Proposals	123	\$33,782,717	158	\$18,809,191	222	\$16,464,527	(35)	\$14,973,526
Proposals by Funding Source:								
Federal	56	\$29,602,563	54	\$14,236,786	57	\$13,249,278	2	\$15,365,777
State	21	\$1,581,361	12	\$628,885	12	\$417,505	9	\$952,476
Foundations	9	\$1,469,473	14	\$1,112,132	7	\$471,340	(5)	\$357,341
Business & Industry	12	\$421,816	51	\$1,020,538	104	\$1,368,214	(39)	(\$598,722)
Local Govt. & Other Non-Profits	25	\$707,504	27	\$1,810,850	42	\$958,190	(2)	(\$1,103,346)
Total Proposals	123	\$33,782,717	158	\$18,809,191	222	\$16,464,527	(35)	\$14,973,526

TABLE II: AWARDS

Awards by Activity:								
Research & Development	30	\$4,513,028	42	\$3,036,386	28	\$2,477,283	(12)	\$1,476,642
Service	33	\$3,128,121	35	\$2,512,931	28	\$1,799,081	(2)	\$615,190
Corporate/Community Training	3	\$575,538	53	\$870,230	113	\$1,501,727	(50)	(\$294,692)
Instructional Support & Other	10	\$1,318,277	11	\$529,223	10	\$240,688	(1)	\$789,054
Total Awards	76	\$9,534,964	141	\$6,948,770	179	\$6,018,779	(65)	\$2,586,194
Awards by Funding Source:								
Federal	28	\$7,538,652	41	\$4,653,652	30	\$3,607,740	(13)	\$2,885,000
State	12	\$400,626	7	\$458,667	7	\$429,071	5	(\$58,041)
Foundations*	7	\$808,850	8	\$214,725	2	\$4,050	(1)	\$594,125
Business & Industry	12	\$323,526	56	\$1,105,820	108	\$1,625,874	(44)	(\$782,294)
Local Govt. & Other Non-Profits*	17	\$463,310	29	\$515,906	32	\$352,044	(12)	(\$52,596)
Total Awards	76	\$9,534,964	141	\$6,948,770	179	\$6,018,779	(65)	\$2,586,194

***Grants reported jointly with the EMU Foundation:**

Michigan Women's Foundation	\$3,500	Ann Arbor Area Community Foundation	\$30,000
Ann Arbor Area Community Foundation	\$76,350	Fifth Third Foundation	\$10,000
Anonymous Foundation	\$320,000	Anonymous Foundation (supplement)	\$350,000
Community Foundation of Southeast Michigan	\$25,000		
National League for Nursing	\$6,400		
TOTAL:		TOTAL:	\$821,250

EASTERN MICHIGAN UNIVERSITY
Summary of Grants and Contracts Received: November 1, 2008 - January 31, 2009
Report to the Board of Regents: 02/24/2009

Project Title	Funding Agency	Project Director	EMU Unit	3rd Party In-kind	EMU In-kind	EMU Cash	Sponsor	Total
EMU Evaluation of Infant Mental Health Contractors for Detroit-Wayne County CMH Agency 2008-2009	Guidance Center - Virtual Center for Excellence	Joan Abbey	School of Social Work				\$102,631	\$102,631
Girl Scouts College Quest Program	Girl Scouts of Metro Detroit	Russell Olwell	History & Philosophy				\$37,000	\$37,000
EMU Alzheimer's Education and Research Program, 2008-09	Michigan Department of Community Health	Shelly Weaverdyck	Gerontology		\$25,263		\$63,103	\$88,366
Raising Children as Bilinguals in Michigan	Japan Business Society of Detroit Foundation	Hitomi Oketani	Foreign Languages & Bilingual Studies	\$0	\$0	\$500	\$4,000	\$4,500
2009 CET: Asbestos Awareness Training	Michigan Department of Labor and Economic Growth	Barbara Hopkins	Center for Organizational Risk Reduction		\$8,500		\$35,000	\$43,500
Development of Novel Bio-based Polyols and their Derivatives for Low VOC Coating Applications	U.S. Department of Agriculture	Vijaykumar Mannari	School of Engineering Technology		\$42,741		\$401,452	\$444,193
Eastern Michigan University - St. Joseph Mercy Health System Autism Collaborative Center - Building Renovation	Anonymous	Pamela Lemerand	School of Health Sciences				\$350,000	\$350,000
Permanent Supportive Housing Partnership for Prisoner Re-entry, Evaluation	Ann Arbor Area Community Foundation	Jennifer Kellman-Fritz	School of Social Work	\$31,641		\$2,550	\$30,000	\$64,191
Fiscal Fitness Program	Fifth Third Foundation	Richard King	Office of the Dean of Business				\$10,000	\$10,000
Prototyping Strategies for the Elucidation of Genetic Interactions in Complex Disease Etiology	University of Michigan	Benjamin Keller	Computer Science				\$27,450	\$27,450
Trauma-Informed Treatment in Residential Care	Child Trauma Institute	Thomas Schmitt	Psychology				\$4,455	\$4,455
Project Lead the Way	Detroit Regional Chamber, Inc.	Paul Kuwik	School of Technology Studies				\$275,000	\$275,000
JumpStart Americorps Program-Year Two Renewal	Jumpstart Americorps	Margaret Harless	Diversity Programs		\$77,716	\$7,230	\$73,662	\$158,608

Project Title	Funding Agency	Project Director	EMU Unit	3rd Party In-kind	EMU In-kind	EMU Cash	Sponsor	Total
Application Development, Maintenance, and Support Services to various locations, 2009	Consulting Engineering Associates, Inc.	Yichun Xie	IGRE				\$37,000	\$37,000
Graduate Internship for the Michigan Department of Transportation, 2009	Michigan Department of Transportation	Theodore Ligibel	Geography & Geology		\$4,000		\$12,600	\$16,600
Bat Surveys in Mines in the Upper Peninsula	Michigan Department of Natural Resources	Allen Kurta	Biology				\$19,996	\$19,996
Project Lead the Way	Society of Manufacturing Engineers	Paul Kuwik	School of Technology Studies				\$112,500	\$112,500
Small Contracts Testing Account	Various Sponsors	Weidian Shen	Physics & Astronomy				\$52,456	\$52,456
NUMBER OF AWARDS: 18			TOTAL:	\$31,641	\$158,220	\$10,280	\$1,648,305	\$1,848,446

Division of Information Technology

STRATEGIC INITIATIVES PROGRESS REPORT

January - February 2009

EagleMail Project

Update on EagleMail—Phase II:

- Phase II of Eagle Mail was started on December 5, 2008.
- Phase II will include the shared features for e-mail folders, briefcase, address book, calendar, tasks and documents. Also, mobile push functions and instant messaging will be implemented.
- The pilot will be conducted during February. Information sessions will be offered in March. The launch of the shared features will begin at the end of March. Training will be conducted between April and August.

Computer Refresh

- The Faculty/Staff portion of the 2008 Computer Refresh Program is complete.
- 550 systems were ordered.
 - 77% Dell and 23% Apple.
 - 57% desktops and 43% laptops.
- Planning for the 2009 Refresh Program will begin in February or March.

Enterprise Resource Planning (ERP) System

Banner and Oracle Upgrades:

- Banner 7.4/7.5 upgrades were implemented during the weekend of October 24, 2008. Planning for the January Oracle Security Patch is currently underway with an expected implementation date in February 2009. Planning is progressing for the portal upgrade (Luminis 4.0) and related hardware.

Other

iTunes U at EMU:

- Several colleagues are working together to develop and implement an EMU presence on the Apple iTunes U site. The *EMU on iTunes U* will launch the end of January. It is available by visiting <http://webstage.emich.edu/itunesu/>.

EMU Reports via BOE:

- A new online reporting system (BOE) was launched fall semester. This system provides easier access to student data for faculty and staff. Currently, there are reports offering section enrollment data, lists of majors, and much more. More reports will be added to the system soon.

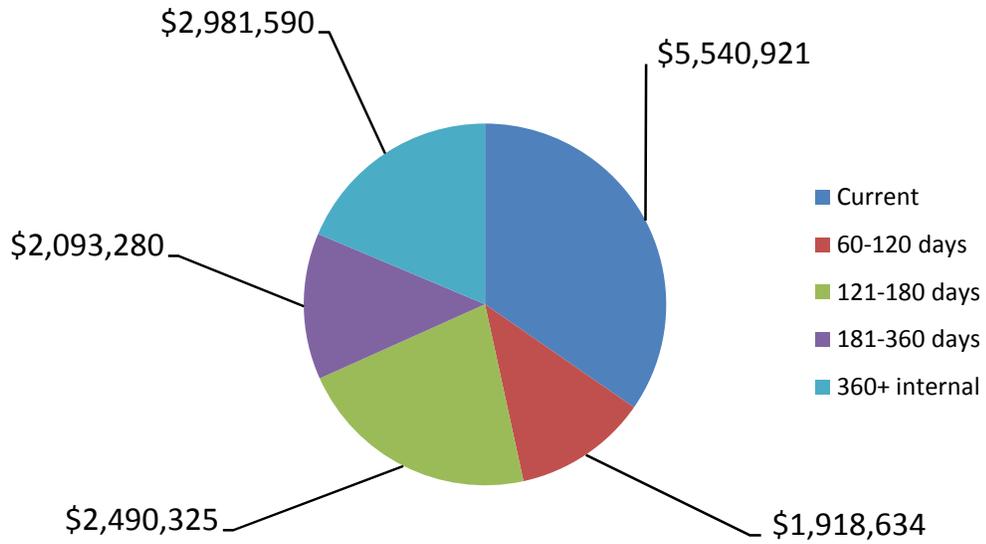
Eastern Michigan University
CASH AND INVESTMENTS
December 31, 2008

	Date Settled	Mature/ Call Date	Account Balance		Annualized FYTD Actual Total Return	Prior Month Annual. FYTD Total Return
			Dollars	Pct. Total		
Cash						
EMU						
Comerica Bank/U.S. Bank	n/a	n/a	\$8,810,202.63	7.54%	0.7500%	0.7500%
Add: Outstanding checks and reconciliation items			\$1,215,764.00			
Eagle Crest						
Citizen's Bank	n/a	n/a	\$351,492.51	0.30%	0.0000%	0.0000%
Total Cash			<u>\$10,377,459.14</u>	<u>7.84%</u>		
Investments						
Money Market Funds						
Dreyfus Institutional Preferred	Daily	n/a	\$54,470,994.72	46.63%	2.4260%	2.6052%
Total Money Market Funds			\$54,470,994.72	46.63%	2.4260%	2.6052%
Treasury Bills						
Purchase	Daily	n/a	\$35,018,993.05	29.98%	0.1300%	0.3100%
Total Treasury Bills			\$35,018,993.05	29.98%	0.1300%	0.3100%
CD Placements						
Purchase	10/23/08	1/21/09	\$4,003,000.00	3.43%	2.4360%	2.4360%
Purchase	10/28/08	1/26/09	\$2,849,000.00	2.44%	2.2500%	2.2500%
Purchase	10/29/08	1/27/09	\$1,449,000.00	1.24%	2.3180%	2.3180%
Purchase	10/30/08	1/28/09	\$1,002,299.38	0.86%	2.1780%	2.1780%
Purchase	11/4/08	2/2/09	\$347,700.59	0.30%	2.1070%	2.1070%
Purchase	11/12/08	2/10/09	\$448,000.00	0.38%	1.9864%	1.9864%
Purchase	11/17/08	2/17/09	\$500,000.00	0.43%	2.1450%	2.1450%
Purchase	11/19/08	2/17/09	\$2,448,000.00	2.10%	2.1460%	2.1460%
Purchase	11/21/08	2/19/09	\$400,000.00	0.34%	2.3500%	2.3500%
Purchase	11/28/08	2/26/09	\$498,000.00	0.43%	2.3522%	2.3522%
Purchase	12/22/08	3/23/09	\$2,250,000.00	1.93%	1.3600%	New
Purchase	12/29/08	3/30/09	\$1,301,000.00	1.11%	1.2044%	New
Purchase	12/30/08	3/30/09	\$599,000.00	0.51%	1.1137%	New
Total CD Placements			\$18,094,999.97	15.49%	2.0800%	2.2750%
Short-Term (0-5 Year) Bond Funds						
Vanguard Short-Term Investment-Grade Fund	Monthly	n/a	60,780.91	0.05%	-11.3078%	-16.1496%
Total Short Term Funds			\$60,780.91	0.05%	-11.3078%	-16.1496%
Total Investments			<u>\$107,645,768.65</u>	<u>92.16%</u>	<u>1.6132%</u>	<u>1.4971%</u>
Total Cash And Investments			<u>\$118,023,227.79</u>	<u>100.00%</u>	<u>1.6746%</u>	<u>1.5000%</u>

**Eastern Michigan University
Student Accounts Receivable Activity
As of December 31, 2008 and 2007**

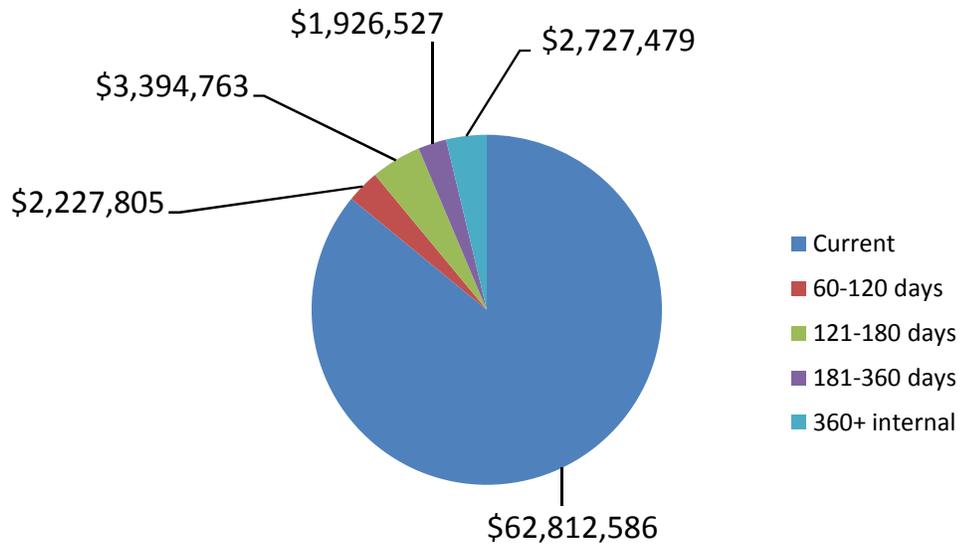
December 2008

Total \$16,008,018

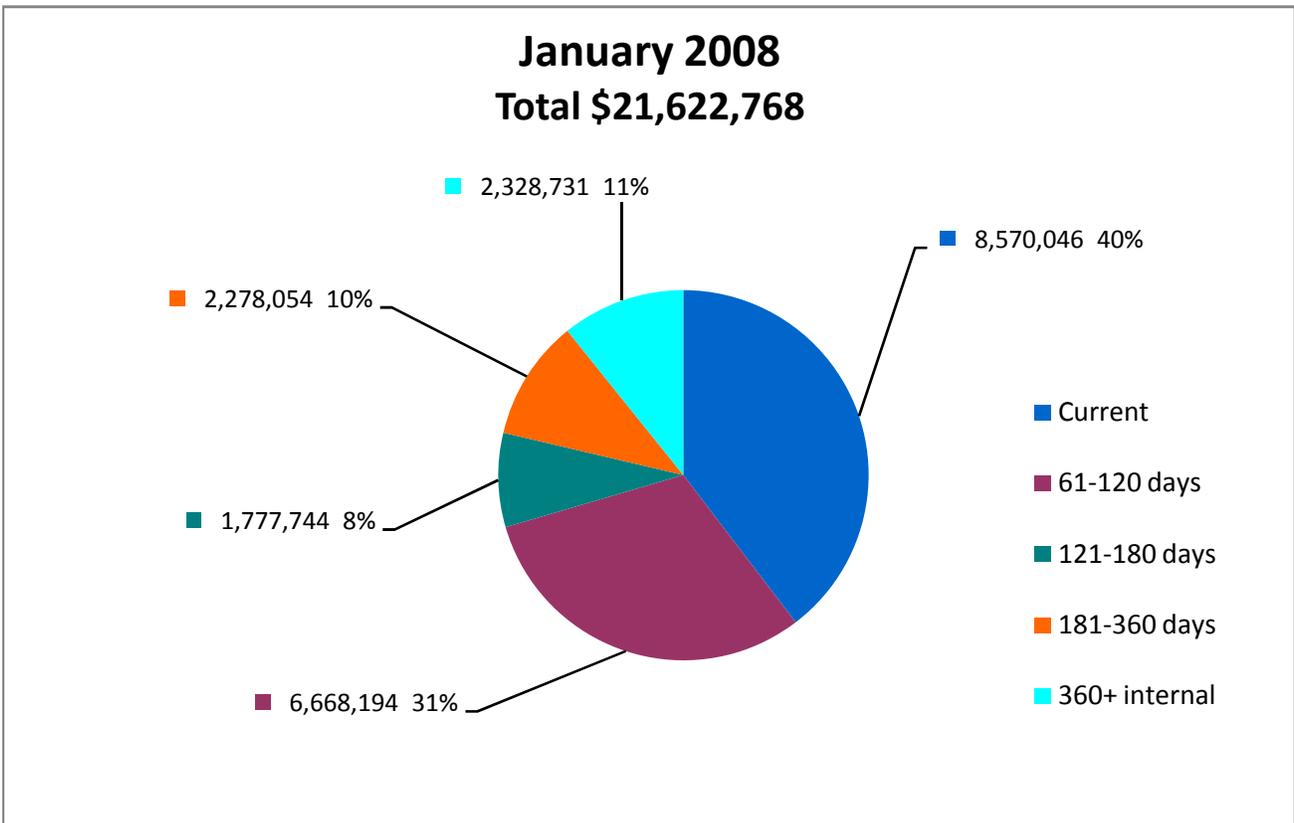
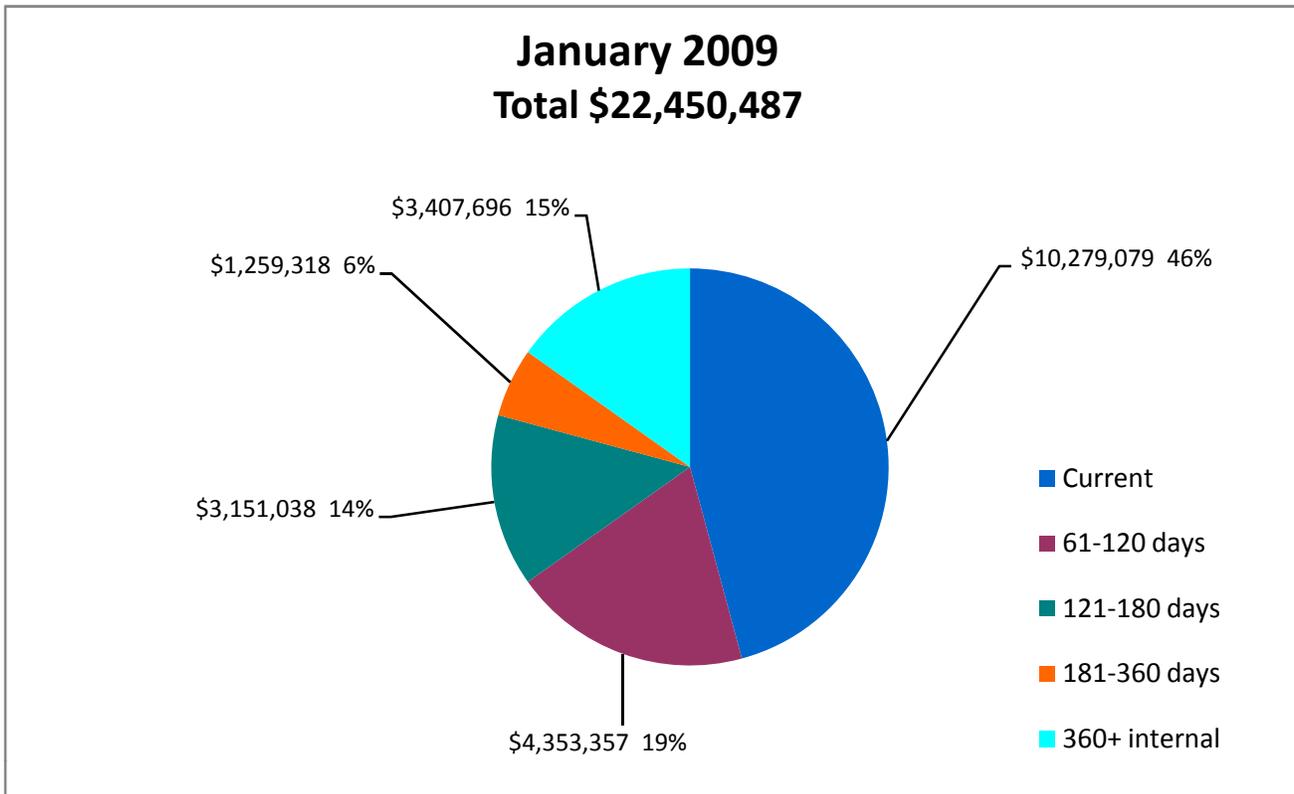


December 2007

Total \$73,089,160



Eastern Michigan University
Student Accounts Receivable Activity
As of January 31, 2009 and 2008



**EASTERN MICHIGAN UNIVERSITY
SCHEDULE OF NET ASSETS**

As of December 31, 2008

	<u>General Fund</u>	<u>Designated Fund</u>	<u>Auxiliary Activities Fund</u>	<u>Expendable Restricted Fund</u>	<u>Student Loan Fund</u>	<u>Plant Fund</u>	<u>Agency Fund</u>	<u>Consolidated Total</u>
ASSETS								
Current Assets:								
Cash and short-term investments	\$ 61,440,086	\$ 4,816,272	\$ 10,814,466	\$ (6,195,204)	\$ (329,957)	\$ 44,780,976	\$ 2,696,589	\$ 118,023,228
Student Accounts receivable, net of allowance \$2,742,566	13,265,452	0	0	0	0	0	0	13,265,452
Other Accounts receivable, net	3,645,725	802,149	912,086	8,928,213	433,518	27,090	0	14,748,781
Appropriation receivable	0	0	0	0	0	0	0	0
Inventories	1,064,501	0	1,172,826	0	0	0	0	2,237,327
Deposits and prepaid expenses	774,959	27,887	322,570	0	0	288,822	0	1,414,238
Accrued interest receivable	45,420	3,799	0	0	382	14,247	0	63,848
Total current assets	80,236,143	5,650,107	13,221,948	2,733,009	103,943	45,111,135	2,696,589	149,752,874
Noncurrent Assets:								
Student Loans receivable, net	0	0	0	0	12,450,270	0	0	12,450,270
Long-term investments	0	0	0	50,337	0	0	0	50,337
Capital Assets, net	0	0	0	0	0	314,658,041	0	314,658,041
Unamortized Bond Expenses, net	0	0	0	0	0	1,240,099	0	1,240,099
Total noncurrent assets	0	0	0	50,337	12,450,270	315,898,140	0	328,398,747
Total assets	\$ 80,236,143	\$ 5,650,107	\$ 13,221,948	\$ 2,783,346	\$ 12,554,213	\$ 361,009,275	\$ 2,696,589	\$ 478,151,621
LIABILITIES								
Current Liabilities:								
Current portion of long-term debt	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,790,000	\$ 0	\$ 5,790,000
Accounts payable and accrued liabilities	657,972	6,202	1,265,970	7,749	0	485,895	122	2,423,910
Line of Credit Payable	0	0	0	0	0	0	0	0
Accrued payroll	4,711,930	0	0	0	0	0	0	4,711,930
Payroll taxes and accrued fringe benefits	13,565,876	6,901	633,682	38,310	0	0	0	14,244,769
Unearned fees and deposits	(10,638)	47,382	10,747,258	9,816	0	0	2,696,467	13,490,285
Insurance and other claims payable	1,066,672	0	378,274	0	0	0	0	1,444,946
Total current liabilities	19,991,812	60,485	13,025,184	55,875	0	6,275,895	2,696,589	42,105,840
Noncurrent Liabilities:								
Accrued Compensated Absences	4,437,254	263	268,430	7,675	0	0	0	4,713,622
Long-term debt	0	0	0	0	0	140,560,000	0	140,560,000
Federal Portion of Perkins Program	0	0	0	0	10,796,242	0	0	10,796,242
Total noncurrent liabilities	4,437,254	263	268,430	7,675	10,796,242	140,560,000	0	156,069,864
Total liabilities	24,429,066	60,748	13,293,614	63,550	10,796,242	146,835,895	2,696,589	198,175,704
NET ASSETS:								
Invested in capital assets, net of related debt	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 168,308,041	\$ 0	\$ 168,308,041
Restricted, expendable				2,719,796	1,757,971	3,526,181		8,003,948
Unrestricted								
Designated	0	5,589,359	(71,666)			42,339,158	0	47,856,851
Undesignated	55,807,077			0	0	0	0	55,807,077
Total net assets	\$ 55,807,077	\$ 5,589,359	\$ (71,666)	\$ 2,719,796	\$ 1,757,971	\$ 214,173,380	\$ 0	\$ 279,975,917
Total Liabilities and net assets	\$ 80,236,143	\$ 5,650,107	\$ 13,221,948	\$ 2,783,346	\$ 12,554,213	\$ 361,009,275	\$ 2,696,589	\$ 478,151,621

**EASTERN MICHIGAN
UNIVERSITY BUDGET STATUS REPORT FY 2009
As of December 31, 2008**

	Budget			Actual			Variance			Percentage Of Budget To Date		
	FY2009 General Fund Budget	FY2009 Auxiliary Budget	FY2009 Total Budget	FY2009 General Fund 12/31/08	FY2009 Auxiliary 12/31/08	FY2009 Total 12/31/08	FY2009 General Fund 12/31/08	FY2009 Auxiliary 12/31/08	FY2009 Total 12/31/08	FY2009 General Fund 12/31/08	FY2009 Auxiliary 12/31/08	FY2009 Total 12/31/08
Operating Revenues												
Student Tuition and Fees	\$ 177,800,000		\$ 177,800,000	\$ 156,079,320		\$ 156,079,320	\$ (21,720,680)		\$ (21,720,680)	87.78%		87.78%
Departmental Activities	1,980,600		1,980,600	1,531,998		1,531,998	(448,602)		(448,602)	77.35%		77.35%
Auxiliary		34,987,262	34,987,262		17,260,579	17,260,579		(17,726,683)	(17,726,683)		49.33%	49.33%
Grants and contracts												
Indirect Cost Recovery	550,000		550,000	315,392		315,392	(234,608)		(234,608)	57.34%		57.34%
Other	1,592,455		1,592,455	640,470		640,470	(951,985)		(951,985)	40.22%		40.22%
Total Approved Funding	181,923,055	34,987,262	216,910,317	158,567,180	17,260,579	175,827,759	(23,355,875)	(17,726,683)	(41,082,558)	87.16%	49.33%	81.06%
Operating Expenditures												
Instruction	99,107,042		99,107,042	51,915,281		51,915,281	(47,191,761)		(47,191,761)	52.38%		52.38%
Research	1,346,821		1,346,821	632,673		632,673	(714,148)		(714,148)	46.98%		46.98%
Public service	3,580,112		3,580,112	1,821,056		1,821,056	(1,759,056)		(1,759,056)	50.87%		50.87%
Academic support	26,741,429		26,741,429	10,849,687		10,849,687	(15,891,742)		(15,891,742)	40.57%		40.57%
Student services	24,469,392		24,469,392	13,300,448		13,300,448	(11,168,944)		(11,168,944)	54.36%		54.36%
Institutional support	41,531,061		41,531,061	16,131,017		16,131,017	(25,400,044)		(25,400,044)	38.84%		38.84%
Scholarships and fellowships	24,963,048	1,365,513	26,328,561	22,015,960		22,015,960	(2,947,088)	(1,365,513)	(4,312,601)	88.19%		83.62%
Operation and maintenance	24,005,593		24,005,593	13,273,271		13,273,271	(10,732,322)		(10,732,322)	55.29%		55.29%
Auxiliary		28,210,822	28,210,822		13,674,015	13,674,015		(14,536,807)	(14,536,807)		48.47%	48.47%
Other(Capital Additions, net)	2,300,600		2,300,600				(2,300,600)		(2,300,600)	0.00%		0.00%
Total Operating Expense	248,045,098	29,576,335	277,621,433	129,939,393	13,674,015	143,613,408	(118,105,705)	(15,902,320)	(134,008,025)	52.39%	46.23%	51.73%
Operating Income/Loss	(66,122,043)	5,410,927	(60,711,116)	28,627,787	3,586,564	32,214,351	94,749,830	(1,824,363)	92,925,467	-43.30%	66.28%	-53.06%
Nonoperating Revenues (Expenses)												
Appropriations (Revised)	78,551,000		78,551,000	21,423,217			(57,127,783)		(57,127,783)	27.27%		0.00%
Gifts												
Investment Income	2,200,000	512,738	2,712,738	838,093	136,433	974,526	(1,361,907)	(376,305)	(1,738,212)	38.10%	26.61%	35.92%
Fund Balance												
Net nonoperating revenues	80,751,000	512,738	81,263,738	22,261,310	136,433	974,526	(58,489,690)	(376,305)	(58,865,995)	27.57%	26.61%	1.20%
Transfers In (Out)												
Debt Retirement	(8,382,000)	(2,848,901)	(11,230,901)	(4,991,000)	(1,624,450)	(6,615,450)	3,391,000	1,224,451	4,615,451	59.54%	57.02%	58.90%
Provision 2005 MJ PH	(4,400,000)		(4,400,000)	(2,200,000)		(2,200,000)	2,200,000		2,200,000	50.00%		0.00%
Asset Preservation	(4,100,000)		(4,100,000)	(4,100,000)		(4,100,000)				100.00%		100.00%
Other Funds and General Fee Obligations	2,254,974	(3,074,764)	(819,790)	1,007,944	(2,510,994)	(1,503,050)	(1,247,030)	563,770	(683,260)	44.70%	81.66%	183.35%
Total Transfers	(14,627,026)	(5,923,665)	(20,550,691)	(10,283,056)	(4,135,444)	(12,218,500)	4,343,970	1,788,221	6,132,191	70.30%	69.81%	59.46%
Total net nonoperating rev (exp)	66,123,974	(5,410,927)	60,713,047	11,978,254	(3,999,011)	(11,243,974)	(54,145,720)	1,411,916	(52,733,804)	18.11%	73.91%	-18.52%
Increase (Decrease) in Net Assets	\$ 1,931	\$ -	\$ 1,931	\$ 40,606,041	\$ (412,447)	\$ 20,970,377	\$ 40,604,110	\$ (412,447)	\$ 40,191,663			
Summarized												
Total Revenues	262,674,055	35,500,000	298,174,055	180,828,490	17,397,012	198,225,502	(81,845,565)	(18,102,988)	(99,948,553)	68.84%	49.01%	66.48%
Total Expenditures	262,672,124	35,500,000	298,172,124	140,222,449	17,809,459	158,031,908	(122,449,675)	(17,690,541)	(140,140,216)	53.38%	50.17%	53.00%
Increase (Decrease) In Net Assets	\$ 1,931	\$ -	\$ 1,931	\$ 40,606,041	\$ (412,447)	\$ 40,193,594	\$ 40,604,110	\$ (412,447)	\$ 40,191,663			

Eastern Michigan University
Student Credit Hour Forecast and Trends

**Student Credit Hours
 2008-09 vs. 2007-08**

	<u>Summer</u>	<u>Fall</u>	<u>Winter</u>	<u>YTD</u>	<u>Spring</u>	<u>Full Year Total</u>
2007-08 Actual	26,959	237,644	218,193	482,796	41,883	524,679
2008-09 Budget	25,643	230,445	215,968	472,056	41,944	514,000
2008-09 Actual/Forecast	25,841	230,653	214,700	471,194	41,944	513,138
<u>2008-09 Actual/Forecast B/(W)</u>						
- Budget - Amount	198	208	(1,268)	(862)	0	(862)
- Budget - Percent	0.8%	0.1%	-0.6%	-0.2%	0.0%	-0.2%
- 2007-08 - Amount	(1,118)	(6,991)	(3,493)	(11,602)	61	(11,541)
- 2007-08 - Percent	-4.1%	-2.9%	-1.6%	-2.4%	0.1%	-2.2%
<u>Winter Credit Hour Status (as of 1/14)</u>						
-2009			211,195			
-2008			214,601			
(Decrease) - Credit Hours			(3,406)			
(Decrease) - Percent			-1.6%			

Student Credit Hour History

	<u>Total</u>	<u>Over/(Under) Prior Yr. Hours</u>	<u>Percent</u>
1996-97	519,110	Base	Base
1997-98	522,195	3,085	0.6%
1998-99	521,964	(231)	0.0%
1999-00	536,805	14,841	2.8%
2000-01	541,468	4,663	0.9%
2001-02	558,264	16,796	3.1%
2002-03	567,995	9,731	1.7%
2003-04	569,471	1,476	0.3%
2004-05	550,708	(18,763)	-3.3%
2005-06	544,893	(5,815)	-1.1%
2006-07	537,698	(7,195)	-1.3%
2007-08	524,682	(13,016)	-2.4%
2008-09			
(Budget)	514,000	(10,682)	-2.0%