

**BOARD OF REGENTS**  
**EASTERN MICHIGAN UNIVERSITY**

**RECOMMENDATION**

**FINANCE AND INVESTMENT COMMITTEE**

**SECTION:** 21

**DATE:**  
March 25, 2014

**ACTION REQUESTED**

It is recommended that the Board of Regents receive and place on file the minutes from the December 10, 2013 Finance and Investment Committee meeting and the Working Agenda for the March 25, 2014 meeting.

**STAFF SUMMARY**

December 10, 2013

Agenda items discussed at the December 10, 2013 Finance and Investment Committee meeting included recommendations to the Board for:

- OMB Circular A-133 Supplementary Financial Reports for the year ending June 30, 2013
- 2012-13 Eastern Michigan University Foundation Consolidated Financial Report
- Emeritus Staff Award

March 25, 2014 Meeting Agenda

Agenda items include the following recommendations:

- 2014-15 Room, Board and Apartment Rates
- Investment Advisor Services Contract
- WEMU-FM Financial Statements as of June 30, 2013 and Auditors Report
- Approval of Purchase Agreement for Sale of Cooper Building
- Cellular Antenna Lease Agreement
- Emeritus Staff Awards

**FISCAL IMPLICATIONS**

None

**ADMINISTRATIVE RECOMMENDATION**

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

University Executive Officer

Date \_\_\_\_\_

**BOARD OF REGENTS**  
**Eastern Michigan University**  
201 Welch Hall  
(734) 487-2410

**FINANCE and INVESTMENT COMMITTEE**  
Tuesday, March 25, 2014  
11:30 a.m.

**REGULAR AGENDA**

- Minutes from December 10, 2013
  
- March 25, 2014 Finance and Investment Committee Agenda
  - FY2014-15 Room, Board and Apartment Rates
  - Contract for Investment Advisory Services
  - WEMU Financial Statements as of June 30, 2013
  - Sale of Cooper Building
  - Cellular Antenna Lease Agreement
  - Emeritus Staff Awards

Eastern Michigan University  
**Finance and Investment Committee**  
**Meeting Minutes**  
**December 10, 2013**

The meeting was called to order by Regent Michael Hawks at 11:31 a.m.

A motion was made, seconded and approved to accept the minutes from the October 1, 2013 Finance and Investment Committee meeting.

The agenda includes 3 items.

**Section 19: Recommendation: OMB Circular A-133 Supplementary Financial Reports for the Year ended June 30, 2013**

It is recommended that the Board of Regents receive and place on file the U.S. Office of Management and Budget Circular A-133 Supplementary Financial Reports for the year ended June 30, 2013.

The U.S. Office of Management and Budget (OMB) requires an annual audit and report of compliance with the requirements of federal award programs. Plante & Moran, PLLC (Eastern's independent auditor) conducts the audit and provides an opinion. In Plante & Moran's opinion, EMU has complied, in all material respects, with the requirements governing its major Federal Award Programs for the Year Ended June 30, 2013.

Plante & Moran further reported that no internal control material weaknesses or significant deficiencies were identified in the course of performing this federal award audit.

**Section 20: Recommendation: The 2012-2013 Eastern Michigan University Foundation Consolidated Financial Report**

It is recommended that the Board of Regents receive and place on file the Eastern Michigan University Foundation Consolidated Financial Report for the year ended June 30, 2013.

In accordance with Section C.4. of the Agreement between Eastern Michigan University and the Eastern Michigan University Foundation, the consolidated financial report of the Eastern Michigan University Foundation for the year ended June 30, 2013 is presented to the Board for their review. The annual financial audit of the Foundation and its subsidiary was performed by Plante & Moran, PLLC, and they have provided an unqualified financial opinion.

Total endowment assets reported at year-end were \$58,044,21. This represents a 12.9 percent increase from the June 30, 2012 market value, which was \$51,413,003. Contributions during 2012-2013 were \$5,007,775, of which \$4,740,600 represented cash gifts. Contributions designated toward endowed scholarships, endowments and planned gifts managed by the Foundation totaled \$1,412,797.

During this fiscal year, the endowment portfolio experienced a gross investment return of 15.4 percent vs. the portfolio benchmark of 15.5 percent, which compares favorably to endowment portfolio returns at other institutions with endowments in the \$51-\$100 million range. The average annual return since inception on September 30, 1992, of 8.1 percent continues to surpass the benchmark of 7.6 percent.

Current expendable gifts and gifts-in-kind distributed to and received directly by Eastern Michigan University for programs and scholarships totaled \$3,178,756 for the year ended June 30, 2013. Of that total, \$2,726,733 was transferred to EMU by the EMU Foundation; \$267,175 represents gifts of property and equipment that were received by EMU directly; and \$184,848 represents cash gifts that were received by EMU directly. In addition, funding distributed to EMU from endowed scholarships and endowments totaled \$1,302,163.

Regent Parker requested that additional data be provided on fundraising.

**Section 3: Recommendation: Emeritus Staff Status**

It is recommended that the Board of Regents grant Emeritus Staff Status to One (1) staff member: Carole Morello, Senior Secretary in College of Business, who retired February 2, 2013 after 20.5 years.

The meeting was adjourned at 11:47 a.m.

Respectfully submitted,

Jada Wester  
Executive Assistant to the  
Chief Financial Officer