

BOARD OF REGENTS
EASTERN MICHIGAN UNIVERSITY

RECOMMENDATION
FINANCE AND INVESTMENT COMMITTEE

SECTION: 19

DATE:
March 17, 2015

ACTION REQUESTED

It is recommended that the Board of Regents receive and place on file the minutes from the December 5, 2014 Finance and Investment Committee meeting and the Working Agenda for the March 17, 2015 meeting.

STAFF SUMMARY

December 5, 2014 Meeting Agenda

Agenda items include the following recommendations:

- The 2013-2014 Eastern Michigan University Foundation Consolidated Financial Report
- OMB Circular A-133 Supplementary Financial Reports for the year ended June 30, 2014
- Tobacco Use Policy
- Emeritus Staff Awards

March 17, 2015 Meeting Agenda

Agenda items include the following recommendations:

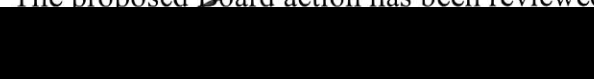
- WEMU-FM Financial Statements as of June 30, 2014 And Auditor's Report
- 2015-16 Room, Board and Apartment Rates
- Fiscal Year 2015-16 Capital Budget and Three Year Capital Projection
- Emeritus Staff Awards

FISCAL IMPLICATIONS

None

ADMINISTRATIVE RECOMMENDATION

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



University Executive Officer

March 17, 2015
Date

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

FINANCE and INVESTMENT COMMITTEE
Tuesday, March 17, 2015
11:45 a.m.

REGULAR AGENDA

- Minutes from December 5, 2014
- March 17, 2015 Finance and Investment Committee Agenda
 - WEMU-FM Financial Statements as of June 30, 2014 and Auditor's Report
 - 2015-16 Room, Board And Apartment Rates
 - Fiscal Year 2015-16 Capital Budget
 - Emeritus Staff Awards

Eastern Michigan University
Finance and Investment Committee
Meeting Minutes
December 5, 2014

The meeting was called to order by Regent Mary Treder Lang at 11:45 a.m.

A motion was made, seconded and approved to accept the minutes from the Oct 7, 2014 Finance and Investment Committee meeting.

The agenda includes 5 items.

Section 13: Recommendation: The 2013-2014 Eastern Michigan University Foundation Consolidated Financial Report

In accordance with Section C.4. of the Agreement Between Eastern Michigan University and the Eastern Michigan University Foundation, it is our responsibility and privilege to present for your review the consolidated financial report of the Eastern Michigan University Foundation for the year ended June 30, 2014. 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 and planned gift assets reported at year-end were \$67,190,127. This represents a 15.8 percent increase from the June 30, 2013 market value, which was \$58,044,421. Fundraising during 2013-2014 totaled \$7,251,290 of which \$5,296,633 represents cash gifts, \$1,083,909 represents gifts-in-kind and \$870,748 represents pledges and revocable bequests. Contributions designated toward endowed scholarships, endowments and planned gifts managed by the Foundation totaled \$1,149,660.

During this fiscal year, the endowment portfolio experienced a gross investment return of 18.8 percent vs. the portfolio benchmark of 19.1 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 8.6 percent continues to surpass the benchmark of 8.1 percent.

Current expendable gifts and gifts-in-kind distributed to and received directly by Eastern Michigan University for programs and scholarships totaled \$4,123,404 for the year ended June 30, 2014. Of that total, \$3,153,635 was transferred to EMU by the EMU Foundation; \$899,689 represents gifts of property and equipment that were received by EMU directly; and \$70,080 represents cash gifts that were received by EMU directly. In addition, funding distributed to EMU from endowed scholarships and endowments totaled \$1,410,696.

Section 14: Recommendation: OMB Circular A-133 Supplementary Financial Reports for the Year Ended June 30, 2014

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, conducted the audit and provided their opinion. In their opinion, Eastern has complied, in all material respects, with the requirements that could have a direct and material effect on each of its major federal programs year ended June 30, 2014.

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 15: Recommendation: Approval of Boathouse Development and Lease Agreement

EMU is partnering with Ypsilanti Township and the Michigan Department of Natural Resources Trust Fund (DNRTF) to improve Lakeside Park in the township along Ford Lake. The parties agreed that a boathouse would be constructed on the lake, primarily for the benefit of EMU's Women's Rowing team, which currently rows on the lake but is in need of an enhanced facility.

The Township contributed the parkland and the following parties contributed monetary amounts to the construction of the Boathouse:

DNRTF awarded a \$500,000 grant.

EMU is contributing \$550,000. The EMU Board approved capital expenditures of \$450,000 on April 20, 2010 as part of FY10-11 budget and another \$100,000 on June 18, 2013 as part of FY13-14 budget for a total of \$550,000.

Washtenaw County Parks committed \$250,000

Together, these funds total the amount needed for the project expenses.

Because the project has State funding, all components -- including the Boathouse -- will be accessible to the public. The Township will own the land and the boathouse and will lease it to the University for 99 years for \$1 per year. The lease will provide that the University will have full control over the Boathouse. The ground lease is contingent upon EMU Board of Regents approval and approval of the Township Board, and DNR, and must require the Boathouse to generally be accessible to the public per DNRTF rules.

The Boathouse should be completed by early spring 2015 and the ground lease will be executed upon completion of construction.

Section 16: Recommendation: Tobacco Use Policy

Eastern Michigan University is committed to the health and well-being of its students, employees, and campus visitors. In an effort to achieve a healthy learning, living, and work environment for every student, employee and visitor, smoking and the use of tobacco are prohibited in or on all University owned, operated or leased buildings, facilities, and grounds, including vehicles, with the exception being the perimeter sidewalks.

This policy shall become effective on July 1, 2015.

Tobacco is defined as all tobacco-derived or containing products. It also includes any product intended to mimic tobacco products, contain tobacco flavoring or deliver nicotine other than for the purpose of cessation.

The President of the University has overall responsibility for the implementation and administration of this policy and has delegated its overall management to the Vice President of University Human Resources.

Section 3: Recommendation: Emeritus Staff Status

It is recommended that the Board of Regents grant Emeritus Staff Status to Two (2) staff members: Marina McCormack, Bonisteel Lab and Instructional Technology Services Manager, COE Dean's Office, who retired on October 3, 2014 and Marcus Adams, Library Assistant II, Halle Library, who retired on November 1, 2014.

The meeting was adjourned at 12:25 p.m.

Respectfully submitted,
Jada Wester
Executive Assistant to the
Chief Financial Officer