

BOARD OF REGENTS
EASTERN MICHIGAN UNIVERSITY

SECTION: 19
DATE: October 13, 2015

RECOMMENDATION
CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY
INFORMATION AS OF JUNE 30, 2015

ACTION REQUESTED

It is recommended that the Board of Regents receive and place on file the University’s audited fiscal year 2014-15 financial statements and auditor’s report. The statements are currently in near final form and will be automatically accepted when finalized, contingent upon there being no substantive changes from their current form.

STAFF SUMMARY

The Financial Statements and Supplementation Information as of June 30, 2015 together with the Auditors report are attached. Plante & Moran has issued its opinion indicating that the statements present fairly, and in conformity with Generally Accepted Accounting Principles, the financial position, results of operations, and cash flows for Eastern and the Foundation.

Financial Statements highlights include:

- Total Net Position at June 30, 2015 of \$156.2 million including \$183.6 million in Capital Assets (net of debt), \$9.7 million in Restricted-Expendable Net Assets and \$37.1 million in Unrestricted Net Liabilities. Total Assets at June 30, 2015 of \$574.5 million and Liabilities of \$408.1 million
- A decrease in Net Position for the year ending June 30, 2015 of \$58.4 million, primarily reflecting the \$49.7 million adjustment for a change in accounting principle for the pension liability recognized due to the adoption of GASB 68 & 71 and an all-funds operating deficit for the year.
- Unrestricted and Restricted-Expendable Net Liabilities of \$27.4 million at June 30, 2015 a decrease of \$57.2 million compared to June 30, 2014.
- The Financial Statements are currently in near final form, pending acceptance by the State Auditor General of the MPSES’s liability as of September 30, 2014. This is expected no later than October 19, 2015. No change in the University’s liability as of September 30, 2014 is anticipated.

During their audit, Plante & Moran did not identify any significant deficiencies or material weaknesses related to the University’s controls, accounting practices, accounting estimates, or financial statement disclosures.

Representatives of Plante & Moran will be attending the Board’s Finance and Investment Committee meeting to present a summary of the results of their audit including benchmark comparisons with other universities and to discuss any comments or questions the Board may have regarding the financial statement or audit.

FISCAL IMPLICATIONS

None

ADMINISTRATIVE RECOMMENDATION

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



University Executive Officer

OCTOBER 15, 2015

Date