

**BOARD OF REGENTS**  
EASTERN MICHIGAN UNIVERSITY

<b>SECTION: 16</b>
<b>DATE:</b> November 1, 2016

**RECOMMENDATION**

**CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY  
INFORMATION AS OF JUNE 30, 2016**

**ACTION REQUESTED**

It is recommended that the Board of Regents receive and place on file the University's audited fiscal year 2015-2016 financial statements and auditor's report.

**STAFF SUMMARY**

The Financial Statements and Supplementary Information as of June 30, 2016 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 the University and its Foundation.

Financial Statements highlights include:

- Total Net Position at June 30, 2016 of \$124.5 million including \$163.5 in Capital Assets (net of debt), \$8.8 million in Restricted-Expendable Net Assets and \$47.7 million in Unrestricted Net Liabilities. Total Assets at June 30, 2016 of \$570.8 million and Liabilities of \$450.9 million.
- A decrease in Net Position for the year ending June 30, 2016 of \$30.2 million, primarily reflecting a \$21.0 million non-cash loss on valuation of the University's interest rate swaps and a \$3.7 million non-cash loss due to additional pension expense in excess of 2015 levels.
- Unrestricted and Restricted-Expendable Net Liabilities of \$39.0 at June 30, 2016, a decrease of \$11.5 million compared to June 30, 2015.

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.

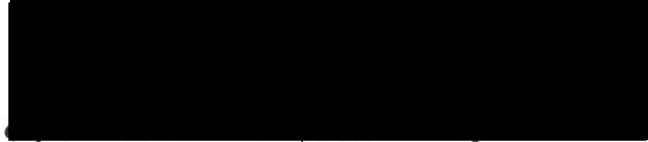
Representatives of Plante & Moran will be attending the Board's Finance and Investment Committee meeting to present a summary of the results of their audit including benchmark comparisons with other Universities and to discuss any comments or questions the Board may have regarding the financial statement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

**FISCAL IMPLICATIONS**

None

**ADMINISTRATIVE RECOMMENDATION**

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



University Executive Officer

November 4, 2016  
Date