

BOARD OF REGENTS
EASTERN MICHIGAN UNIVERSITY

SECTION: 18

DATE:

October 25, 2018

RECOMMENDATION

**CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY
INFORMATION AS OF JUNE 30, 2018**

ACTION REQUESTED

It is recommended that the Board of Regents receive and place on file the University's audited fiscal year 2017-2018 financial statements and auditor's report.

STAFF SUMMARY

The Financial Statements and Supplementary Information as of June 30, 2018 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, 2018 of \$112.6 million including \$209.9 million in Capital Assets (net of debt), \$11.0 million in Restricted-Expendable Net Assets and \$108.3 million in Unrestricted Net Liabilities. Total Assets at June 30, 2018 of \$739.5 million and Liabilities of \$571.8 million.
- A decrease in Net Position for the year ending June 30, 2018 of \$21.6 million, primarily reflecting a \$28.5 million non-cash negative adjustment related to a change in accounting principle regarding OPEB liability, and a non-cash positive \$6.5 million interest rate swap valuation gain.
- Unrestricted and Restricted-Expendable Net Liabilities of \$97.3 at June 30, 2018, an increase of \$48.4 million compared to June 30, 2017.

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 25, 2018
Date