

**BOARD OF REGENTS**  
EASTERN MICHIGAN UNIVERSITY

<b>SECTION:</b> 17
<b>DATE:</b> October 25, 2019

**RECOMMENDATION**

**CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY  
INFORMATION AS OF JUNE 30, 2019**

**ACTION REQUESTED**

It is recommended that the Board of Regents receive and place on file the University's audited fiscal year 2018-2019 financial statements and auditor's report.

**STAFF SUMMARY**

The Financial Statements and Supplementary Information as of June 30, 2019 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, 2019 of \$120.3 million including \$266.5 million in Capital Assets (net of debt), \$15.7 million in Restricted-Expendable Net Assets and \$161.9 million in Unrestricted Net Liabilities. Total Assets at June 30, 2019 of \$777.7 million and Liabilities of \$622.7 million.
- An increase in Net Position for the year ending June 30, 2019 of \$7.7 million, primarily reflecting a \$26.7 million gain on capital appropriations from the State of Michigan for Strong Hall, a \$10.0 million expense for voluntary early retirement incentive plans, a non-cash \$6.6 million pension expense, and a non-cash \$3.0 million interest rate swap valuation expense.
- Unrestricted and Restricted-Expendable Net Liabilities of \$146.2 at June 30, 2019, an increase of \$48.9 million compared to June 30, 2018.

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.



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**University Executive Officer**

*October 25, 2019*

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**Date**