

BOARD OF REGENTS

EASTERN MICHIGAN UNIVERSITY

RECOMMENDATION

FINANCE AND AUDIT COMMITTEE

SECTION: 17

DATE:
September 21, 2010

ACTION REQUESTED

It is recommended that the Board of Regents receive and place on file the minutes from the June 15, 2010 Finance and Audit Committee meeting, the Working Agenda for the September 21, 2010 meeting and the Informational Reports and Financial Updates.

STAFF SUMMARY

June 15, 2010 Meeting

Regular agenda items discussed at the June 15, 2010 Finance and Audit Committee were Staff Separations/Retirements and Staff Appointments for period April 1, 2010 through May 31, 2010, as well as the Informational Reports and Financial Updates as of April 30, 2010. The Committee also reviewed a recommendation to the Board regarding the appointment of the External Auditor.

September 21, 2010 Meeting Agenda

Regular agenda items include Staff Separations/Retirements and Staff Appointments for period June 1, 2010 through August 31, 2010, as well as the Informational Reports and Financial Updates as of July 31, 2010. The Committee also will review recommendation to the Board for:

- Audited Fiscal Year 2009-10 Financial Statements (Presentation by Plante & Moran)

FISCAL IMPLICATIONS

None

ADMINISTRATIVE RECOMMENDATION

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

University Executive Officer

Date

**Eastern Michigan University
Finance and Audit Committee
Meeting Minutes
June 15, 2010**

The meeting was called to order at 2:45 PM by Regent Stapleton.

REGULAR AGENDA

**Section 17 Recommendation Monthly Reports – Finance and Audit Committee,
Informational Reports and Informational Presentations**

A motion was made and seconded to accept the minutes from the previous Board of Regents meeting on April 20, 2010.

Grants and Contracts

Awards totaling \$2.9M were received during March and April. For the fiscal YTD period (July through April), grant and contract awards totaled \$13.6M, an increase of \$2.4M (21%) over the same period in 2008-09. Excluding the \$2.2M ARRA award, total YTD grant and contract awards would still be up \$200K (2%) over last year's record level.

Based on the dollar value, 87% of the YTD awards were federal with 13% from foundations and state/local sources. Proposals totaling \$65.0M have been submitted in the first ten months of FY2009-10 compared with \$42.9M the same period last year. The increase primarily reflects applications for federal stimulus funding.

Information Technology – Strategic Initiatives Progress Report

EagleMail implementation continues with course and group calendars launched at the beginning of the Spring semester. Planning for the University's FY2010-11 computer refresh program commenced at the end of April. It is expected that approximately 530 computers for full-time faculty and staff will be refreshed in FY2010-11 with the replaced computers utilized as replacements for 5-7 year-old computers on campus.

The Banner 8.0 software upgrade remains on track for late-July implementation. A Luminis system upgrade and implementation of an online application suite for Undergraduate admissions will coincide with Banner upgrade.

Technology Infrastructure projects, including residential wireless in the First Year Center will be completed by Fall 2010. Halle's upgrade of network switches has been completed and the business case for VOIP, including phasing and funding scenarios, have been developed, with priority placed on the new facilities (Science Complex, Pray-Harrod, and Fletcher).

Financial updates as of April 30, 2010

Cash and investments balance on April 30 was \$159.0M, including \$97.1M of normal operating and working capital (equivalent to 114 days cash on hand) and \$61.9M of bond proceeds borrowed in June 2009 for the Science Complex and other capital projects. These bond proceeds are accounted for and managed separately from the University's operating and working capital cash and investments. The University's operating cash and investment balances at April 30 reflect normal seasonality and are consistent with budget.

For the fiscal YTD through April 30, the University's operating and working capital investment portfolio earned 5.9%; by the end of May, the YTD return had fallen to 4.6%. At April 30, EMU's \$97M investment portfolio consisted of \$43M in the Long Term Pool, \$15M in the Intermediate Term pool, and \$39M in the Short Term Pool. The asset allocations are consistent with those prescribed in the Investment Policy. The Long Term pool mix includes 31% in equities (26% domestic, 5% International) – also consistent with the University's Investment Policy.

At April 30, student accounts receivable were \$15.2M, down significantly (\$3.9M or 21%) compared with April 30, 2009.

At April 30, unrestricted net assets were \$68.1M and total net assets were \$234.8M.

Through April 30 (10 months of the fiscal year), YTD General Fund expenditures were \$237.5M consistent with the full year forecast reviewed with the Board in October. All expenditure line items continue to track to budget except for the volume-related increases in financial aid and instructional costs. General Fund revenues continue to trend over budget primarily reflecting the higher than budgeted student credit hours and resulting tuition revenue. Despite the recent investment results, we continue to forecast a General Fund operating surplus for the year of approximately \$5M, equivalent to 2% of the General Fund budget. As discussed with the board previously, it is planned to re-invest approximately half of this surplus in one-time high priority initiatives and programs (ABBP process) with the balance flowing to year-end reserves.

Auxiliary Fund revenues and expenditures for the first ten months were \$35.3M and \$29.2M, respectively, consistent with budget and the same period a year ago.

Student Credit Hour Status

The FY10-11 budget was developed based on an assumption of 3.4% year-to-year growth in student credit hours. To date (through June 3), the enrollment result are encouraging. For the Summer semester, the registration process is 90% complete. Compared with same time one year ago, Summer credit hours are up 7.5% (1,780 hours). For the Fall semester, the registration process is about 60% complete. Compared with the same point last year, Fall credit hours are up 4.0% (5,825 hours). The 4.0% year-to-year increase in Fall credit hours reflects a 3.8% increase for undergraduates and 6.3% for graduate students. Enrollment head count for the Fall is up 5.1% compared with one year ago.

Section 18: Recommendation Staff Appointments

It is recommended that the Board of Regents approve 25 staff appointments for the reporting period of April 1 through May 31, 2010.

Section 19: Recommendation Staff Separations/Retirements

It is recommended that the Board of Regents approve 9 separations and retirements for the reporting period April 1 through May 31, 2010.

Section 20: Recommendation Appointment of External Audit Firm

It is recommended that the Board of Regents appoint Plante & Moran, PLLC as the University's external audit firm and authorize the Chief Financial Officer and Treasurer to the Board of Regents to negotiate a contract with Plante & Moran for external audit services. The initial term of the contract is three years, with two mutually agreeable one-year extensions.

Capital Projects Updates

John Donegan reported to the Regents on the recently completed capital projects, those which are underway and upcoming projects.

Meeting was adjourned at 3:15 PM.

Respectfully Submitted,

Tammy Morle

BOARD OF REGENTS

EASTERN MICHIGAN UNIVERSITY
201 WELCH HALL
(734) 487-2410

Tuesday, September 21, 2010
2:45 PM

FINANCE AND AUDIT COMMITTEE

REGULAR AGENDA

- Section 17: Recommendation: Informational Reports and Financial Updates
- Minutes from June 15, 2010
 - September 21 Finance and Audit Committee Agenda
 - Executive Summary
 - Grants and Contracts
 - IT Strategic Initiatives Progress Report
 - Financial Reports
- Section 18: Recommendation: Staff Appointments Report
- Section 19: Recommendation: Staff Separations/Retirements Report
- Section 20: Recommendation: Audited Fiscal Year 2009-10 Financial Statements and Presentation

Eastern Michigan University
Board of Regents – September 21, 2010 Finance and Audit Committee
Informational Reports and Financial Update
(Executive Summary)

| |
|-----------------------------|
| Grants and Contracts |
|-----------------------------|

Final FY10 Results

- For the fiscal year, grant and contract awards totaled \$16.0M (\$13.7M excluding the \$2.3M federal stimulus ARRA award).
- The \$13.7M in awards is a record level for Eastern and represents a \$600K (4.9%) increase over last year's record level.
- Based on the dollar value, 81% of the YTD awards were federal with 19% from state/local sources, foundations, and business/industry.
- Proposals submitted totaled \$75.4M in FY10, up \$7.2M (10.5%) year-to-year.

FY11 (through July)

- For July, grant and contract awards totaled \$1.0M compared with \$2.2M in July 2009 and \$1.0M in July 2008. In July, federal awards were 95% of the total.
- Proposals submitted in July were \$7.5M compared with \$11.6M in July 2009.

| |
|---|
| Information Technology – Strategic Initiatives Progress Report |
|---|

- Implementation of the major Banner (8.0) software upgrade was completed successfully in July (technical implementation conducted July 15-19th). Concurrently, an upgrade to the Luminis (my.emich) enterprise portal was also completed.
- Planning for the University's FY11 computer refresh program began in April. Departments commenced ordering systems in early August with deployment targeted to begin this month. It is expected that approximately 530 computers for full-time faculty and staff will be refreshed in FY11 with the replaced computers utilized as replacements for 5-7 year-old computers on campus.
- Technology Infrastructure projects:
 - Residential wireless - First Year Center to be completed this month
 - Network switches – proceeding (Halle, Boone, Porter complete)
 - VOIP – will be incorporated in Science Complex, Pray-Harrold, and Fletcher; campus-wide VOIP rollout under study

| |
|-------------------------|
| Financial Update |
|-------------------------|

FY10 Re-cap

- Student Credit Hour Growth of 4.3% (first increase in six years)
- General Fund operating surplus of \$1.3M (\$3.8M before one-time ABBP funding)
- All Funds operating surplus of \$5.7M (offset by \$7.1M non-cash accounting charge)
- June 30, 2010 Net Assets of \$231.1M (Assets \$566.7M less Liabilities \$335.6)
- June 30, 2010 Unrestricted Net Assets of \$56.1M – down \$9.5M from June 2009 reflecting planned investment of reserves in capital (accumulated tuition earmark)
- Balance Sheet – stable, but financial leverage (debt/reserves) high vs. benchmarks

FY11 YTD (through July – one month of fiscal year)

- Eastern's cash and investments balance on July 31 was \$115.0M, including \$70.2M of normal operating and working capital (equivalent to 78 days cash on hand) and \$44.8M remaining in bond proceeds from the \$100M borrowed last June for the Science Complex and other capital projects. These bond proceeds are accounted for and managed separately from the University's operating and working capital cash and investments. The University's operating cash and investment balances on July 31 reflect normal seasonality and are consistent with budget.
- For FY10, the University's operating and working capital investment portfolio earned 4.0%. At July 31, Eastern's \$70M investment portfolio consisted of \$43M in the Long Term Pool, \$15M in the Intermediate Term pool, and \$12M in the Short Term Pool. The asset allocations remain consistent with those prescribed in the Investment Policy. At July 31, the Long Term pool mix includes 29.2% in equities (24.7% domestic, 4.5% International) – also consistent with the approved Investment Policy.
- At June 30, student accounts receivable were \$6.9M, down significantly (\$4.1M) compared with June 30, 2009. The months of July and August are not reliable indicators of accounts receivable trends - September month end will provide the next opportunity for solid year-to-year comparisons.
- With data through only one month, it is difficult to assess trends in General Fund expenditures. In July, GF expenditures were \$10.4M or 3.7% of the full year budget of \$280.9M. Auxiliary Activity fund expenditures in July were \$1.3M (3.4% of their full year budget).

FY11 Student Credit Hours

- The FY11 budget was developed based on an assumption of 3.4% year-to-year growth in student credit hours (budget of 553,545 hours vs. 535,096 hours in FY10 – a year-to-year budgeted increase of 18,449 hours)
- Summer 2010
 - Actual SCH = 27,395 hours
 - 5.8% (1,501 hours) over Summer 2009
- Fall 2010 (through September 9th)
 - Actual SCH = 245,698
 - 2.5% (5,967 hours) over Fall 2009 (at same point in time)
 - The 2.5% year-to-year increase in Fall credit hours reflects a 3.0% increase for undergraduates and a 1.1% decrease in graduates.
 - Enrollment (head count) for the Fall is up 2.7% compared with a year ago.

GRANTS AND CONTRACTS
FY 2010 PROGRESS REPORT - FINAL
 June 30, 2010

| TABLE I: PROPOSALS | | FY2010 Activity through 06/30 | | FY2009 Activity through 06/30 | | FY2008 Activity through 06/30 | | FY2010 vs. FY2009 Actual to Date Var. | |
|-------------------------------------|--|--------------------------------------|----------------------|--------------------------------------|----------------------|--------------------------------------|----------------------|--|----------------------|
| | | No. to Date | Dollar Value to Date | No. to Date | Dollar Value to Date | No. to Date | Dollar Value to Date | No. to Date | Dollar Value to Date |
| Proposals by Activity: | | | | | | | | | |
| Research & Development | | 98 | \$54,746,164 | 101 | \$37,494,877 | 100 | \$22,963,110 | (3) | \$17,251,287 |
| Service | | 56 | \$11,301,596 | 73 | \$20,891,506 | 79 | \$6,764,264 | (17) | (\$9,589,910) |
| Corporate/Community Training | | 10 | \$1,226,725 | 12 | \$1,446,621 | 54 | \$1,227,263 | (2) | (\$219,896) |
| Instructional Support & Other | | 33 | \$8,088,084 | 33 | \$8,424,843 | 19 | \$2,886,216 | 0 | (\$336,759) |
| Total Proposals | | 197 | \$75,362,569 | 219 | \$68,257,847 | 252 | \$33,840,853 | (22) | \$7,104,722 |
| Proposals by Funding Source: | | | | | | | | | |
| Federal | | 133 | \$70,965,384 | 115 | \$49,060,356 | 94 | \$27,381,832 | 18 | \$21,905,028 |
| State | | 12 | \$950,660 | 28 | \$6,773,116 | 17 | \$849,614 | (16) | (\$5,822,456) |
| Foundations | | 18 | \$1,983,380 | 21 | \$4,233,341 | 25 | \$1,593,412 | (3) | (\$2,249,961) |
| Business & Industry | | 11 | \$246,106 | 16 | \$534,620 | 73 | \$1,452,570 | (5) | (\$288,514) |
| Local Govt. & Other Non-Profits | | 23 | \$1,217,039 | 39 | \$7,656,414 | 43 | \$2,563,425 | (16) | (\$6,439,375) |
| Total Proposals | | 197 | \$75,362,569 | 219 | \$68,257,847 | 252 | \$33,840,853 | (22) | \$7,104,722 |

| TABLE II: AWARDS | | FY2010 Activity through 06/30 | | FY2009 Activity through 06/30 | | FY2008 Activity through 06/30 | | FY2010 vs. FY2009 Actual to Date Var. | |
|--|--|--------------------------------------|----------------------|--------------------------------------|----------------------|--------------------------------------|----------------------|--|----------------------|
| | | No. to Date | Dollar Value to Date | No. to Date | Dollar Value to Date | No. to Date | Dollar Value to Date | No. to Date | Dollar Value to Date |
| Awards by Activity: | | | | | | | | | |
| Research & Development | | 37 | \$4,663,747 | 44 | \$5,520,605 | 63 | \$4,117,923 | (7) | (\$856,858) |
| Service | | 46 | \$7,732,350 | 55 | \$4,465,264 | 61 | \$4,293,941 | (9) | \$3,267,086 |
| Corporate/Community Training | | 4 | \$461,838 | 7 | \$1,094,641 | 61 | \$1,519,240 | (3) | (\$632,803) |
| Instructional Support & Other | | 24 | \$3,143,127 | 17 | \$2,037,069 | 17 | \$619,158 | 7 | \$1,106,058 |
| Total Awards | | 111 | \$16,001,062 | 123 | \$13,117,579 | 202 | \$10,550,262 | (12) | \$2,883,483 |
| Awards by Funding Source: | | | | | | | | | |
| Federal | | 68 | \$12,975,163 | 51 | \$9,872,119 | 64 | \$6,855,053 | 17 | \$3,103,044 |
| State | | 9 | \$494,689 | 19 | \$1,248,213 | 14 | \$682,184 | (10) | (\$753,524) |
| *Foundations | | 7 | \$717,406 | 11 | \$878,551 | 14 | \$603,510 | (4) | (\$161,145) |
| Business & Industry | | 7 | \$182,413 | 17 | \$541,259 | 70 | \$1,552,091 | (10) | (\$358,846) |
| *Local Govt. & Other Non-Profits | | 20 | \$1,631,391 | 25 | \$577,437 | 40 | \$657,424 | (5) | \$1,053,954 |
| Total Awards | | 111 | \$16,001,062 | 123 | \$13,117,579 | 202 | \$10,550,262 | (12) | \$2,883,483 |
| *Grants reported jointly with the EMU Foundation: | | | | | | | | | |
| East Michigan Environmental Action Council | | | \$15,000 | | | | | | \$15,000 |
| Coleman Foundation | | | \$12,000 | | | | | | \$71,165 |
| Florence Tyson Fund | | | \$3,500 | | | | | | \$29,741 |
| Sisters, Servants of the Immaculate Heart of Mary | | | \$1,500 | | | | | | \$600,000 |
| Japan Business Society of Detroit Foundation | | | \$1,000 | | | | | | \$14,200 |
| | | | | | | | | Total: | \$763,106 |

**Awards include \$2,246,500 grant made from American Recovery and Reinvestment Act State Fiscal Stabilization Fund to offset 3% reduction in EMU's FY2010 state appropriation.

GRANTS AND CONTRACTS
FY 2011 PROGRESS REPORT
 September 21, 2010

TABLE I: PROPOSALS

| | FY2011 through 7/31 | | FY2010 through 7/31 | | FY2009 through 7/31 | | FY2011 vs. FY2010 Actual to Date Var. | |
|-------------------------------------|------------------------|-------------------------|------------------------|-------------------------|------------------------|-------------------------|--|-------------------------|
| | No. to Date | Dollar Value to Date | No. to Date | Dollar Value to Date | No. to Date | Dollar Value to Date | No. to Date | Dollar Value to Date |
| Proposals by Activity: | | | | | | | | |
| Research & Development Service | 12 | \$4,425,345 | 6 | \$10,144,302 | 16 | \$13,343,402 | 8 | (\$5,718,957) |
| Corporate/Community Training | 6 | \$1,546,763 | 4 | \$860,751 | 9 | \$944,217 | 0 | \$686,012 |
| Instructional Support & Other | 1 | \$277,402 | 6 | \$551,507 | 7 | \$495,916 | 1 | (\$274,105) |
| Total Proposals | 20 | \$7,479,418 | 16 | \$11,556,560 | 35 | \$15,007,535 | 10 | (\$4,077,142) |
| Proposals by Funding Source: | | | | | | | | |
| Federal | 16 | \$6,538,524 | 7 | \$10,985,630 | 11 | \$14,130,774 | 9 | (\$4,447,106) |
| State | 0 | \$0 | 6 | \$551,507 | 9 | \$525,747 | (6) | (\$551,507) |
| Foundations | 0 | \$0 | 2 | \$13,903 | 0 | \$0 | (2) | (\$13,903) |
| Business & Industry | 1 | \$16,394 | 1 | \$5,250 | 5 | \$41,603 | 0 | \$11,144 |
| Local Govt. & Other Non-Profits | 3 | \$924,500 | 0 | \$0 | 10 | \$309,411 | 3 | \$924,500 |
| Total Proposals | 20 | \$7,479,418 | 16 | \$11,556,290 | 35 | \$15,007,535 | 4 | (\$4,076,872) |

TABLE II: AWARDS

| | FY2011 through 7/31 | | FY2010 through 7/31 | | FY2009 through 7/31 | | FY2011 vs. FY2010 Actual to Date Var. | |
|----------------------------------|------------------------|-------------------------|------------------------|-------------------------|------------------------|-------------------------|--|-------------------------|
| | No. to Date | Dollar Value to Date | No. to Date | Dollar Value to Date | No. to Date | Dollar Value to Date | No. to Date | Dollar Value to Date |
| Awards by Activity: | | | | | | | | |
| Research & Development Service | 3 | \$42,693 | 1 | \$160,793 | 7 | \$173,668 | 2 | (\$118,100) |
| Corporate/Community Training | 10 | \$705,091 | 6 | \$2,103,439 | 8 | \$620,617 | 4 | (\$1,398,348) |
| Instructional Support & Other | 1 | \$277,402 | 0 | \$0 | 0 | \$0 | 1 | \$277,402 |
| Total Awards | 2 | \$11,000 | 7 | \$2,264,232 | 2 | \$222,000 | 2 | \$11,000 |
| Awards by Funding Source: | | | | | | | | |
| Federal | 16 | \$1,036,186 | 4 | \$1,508,573 | 5 | \$653,319 | 4 | (\$532,080) |
| State | 8 | \$976,493 | 2 | \$752,649 | 1 | \$2,000 | 1 | (\$708,956) |
| Foundations* | 3 | \$43,693 | 0 | \$0 | 0 | \$0 | 1 | \$10,000 |
| Business & Industry | 1 | \$10,000 | 0 | \$0 | 5 | \$64,442 | 0 | \$0 |
| Local Govt. & Other Non-Profits | 0 | \$0 | 1 | \$3,000 | 6 | \$96,524 | 2 | \$3,000 |
| Total Awards | 15 | \$1,036,186 | 7 | \$2,264,222 | 17 | \$1,016,285 | 8 | (\$1,228,036) |

*Grants reported jointly with the EMU Foundation:
 Pricewaterhousecoopers Charitable Foundation \$10,000

EASTERN MICHIGAN UNIVERSITY
Summary of Grants and Contracts Received: May 1, 2010 - July 31, 2010
Report to the Board of Regents: September 21, 2010

| Project Title | Funding Agency | Project Director | EMU Unit | 3rd Party In-Kind | EMU In-Kind | EMU Cash | Sponsor | Total |
|--|--|-----------------------|---------------------------------------|-------------------|-------------|----------|-----------|-----------|
| the B Side Workforce Investment Act | Washtenaw County Children's Services Department | Jessica Alexander | Academic Service-Learning | | \$16,124 | \$3,100 | \$55,155 | \$74,379 |
| International Financial Reporting Standards (IFRS) Ready Grant | PricewaterhouseCoopers Charitable Foundation, Inc. | Lijyun (Angela) Hwang | Accounting and Finance | | | | \$10,000 | \$10,000 |
| Walt Disney Imagineers-Imaginations Competitions Award | Walt Disney World Parks and Resorts | Amy Sacksteder | Art | | | | \$1,000 | \$1,000 |
| Netting and Acoustic Survey for Bats at a Proposed Wind Farm, near Breckenridge, Gratiot County, Michigan | JFNew, Inc. | Allen Kurta | Biology | | | | \$92,878 | \$92,878 |
| Acoustic Monitoring of Bat Activity at a Proposed Wind Farm near Carsonville, Sanilac County, Michigan, Amendment 1 | Carsonville Wind, LLC, Ortonville MI | Allen Kurta | Biology | | | | \$1,893 | \$1,893 |
| Eastern Michigan University Writing Project - 2010-2011 | National Writing Project | William Tucker | English Language & Literature | \$23,300 | \$91,014 | \$3,500 | \$46,000 | \$163,814 |
| Investigating Climate Change and Remote Sensing (SCARS) | Wayne County Regional Educational Services Agency | Yichun Xie | IGRE | | | | \$274,585 | \$274,585 |
| South Driven Space Project, Ann Arbor Teen Center (Neutral Zone) | Ann Arbor Teen Center (Neutral Zone) | Lynn Malinoff | ISCF | | | | \$4,000 | \$4,000 |
| Small Business and Technology Development Center, Region 9 Host, 2010, Year 10 Cash Match Part 2 | Grand Valley State University | Richard King | Office of the Dean of Business | | | \$84,000 | \$0 | \$84,000 |
| NIH Michigan Bridges to Doctorate | University of Michigan | Muralidharan Nair | Office of the Dean of Hlth & Hum Svcs | | | | \$118,661 | \$118,661 |
| Physics Scholars Program (PSP) at Eastern Michigan University, Year 1 of 5 | National Science Foundation | James Carroll | Physics & Astronomy | | \$7,805 | | \$83,700 | \$91,505 |
| Building a Surface Science Laboratory in the Mark Person Complex to Serve the Automobile Industry in Southeastern Michigan (cash match for architectural wing changes) | U.S. Department of Energy | Weidian Shen | Physics & Astronomy | | \$5,000 | \$20,000 | \$0 | \$25,000 |
| Planning Retreat for Ypsilanti Housing Commission | Ypsilanti Housing Commission | Joseph Ohren | Political Science | | \$500 | | \$500 | \$1,000 |
| Eastern Michigan University Single Parent Residential Support Program | Endicott College | Lynette Findley | Retention Services | | | | \$114,753 | \$114,753 |
| Protective Coatings for Mirrors-Task Order 2 | Guardian Glass | Jamil Baghdachi | School of Engineering Technology | | | | \$40,800 | \$40,800 |
| U School of Nursing Graduate Traineeship 2010-2011 Year 2 | Health Resources & Services Administration | Sandra Hines | School of Nursing | | | | \$3,767 | \$3,767 |

| Project Title | Funding Agency | Project Director | EMU Unit | 3rd Party In-Kind | EMU In-Kind | EMU Cash | Sponsor | Total |
|--|---|---------------------|---|-------------------|-------------|-----------|-------------|-------------|
| One B Side Workforce Investment Act | Washtenaw County Children's Services Department | Jessica Alexander | Academic Service-Learning | | \$16,124 | \$3,100 | \$55,155 | \$74,379 |
| University Collaboration to Support System-Wide Implementation of Best Promising and Evidence-Based Practices in Community Mental Health | Detroit/Wayne County Community Mental Health Agency | Joan Abbey | School of Social Work | | | | \$1,000,000 | \$1,000,000 |
| Michigan Skills USA-Competitive Renewal (One year object period with one renewal) | Michigan Department of Education | David Wait | School of Technology Studies | | \$202,613 | | \$75,000 | \$277,613 |
| Michigan DECA-Competitive Renewal (One year with one additional renewal years) | Michigan Department of Education | David Wait | School of Technology Studies | | \$931,794 | | \$75,000 | \$1,006,794 |
| Michigan Family, Career & Community Leaders of America (FCCLA) - Competitive Renewal | Michigan Department of Labor & Economic Growth-Career | David Wait | School of Technology Studies | | \$95,195 | | \$55,000 | \$150,195 |
| Michigan Business Professionals of America (BPA) - Competitive Renewal | Michigan Department of Labor & Economic Growth-Career | Maurice Henderson | School of Technology Studies | | \$241,357 | | \$75,000 | \$316,357 |
| Cross-National Analysis of Islamic Fundamentalism, Risk 2, 2010 | Office of Naval Research | Mansoor Moaddel | Sociology, Anthropology and Criminology | | | \$15,000 | \$449,957 | \$464,957 |
| Underground Railroad and Cultural Program: The Cooperative Underground Railroad Education Project (CUREP) | Charles H Wright Museum of African American History | Deborah Harmon | Teacher Education | | \$243,889 | | \$144,506 | \$388,375 |
| Great Lakes Fisheries Stewardship Implementation - Matching Funds continuation, 2010-2011 | East Michigan Environmental Action Council | Rebecca Martusewicz | Teacher Education | | | | \$14,200 | \$14,200 |
| Southeast Michigan Stewardship Coalition: IHM phase 2 | Sisters, Servants of the Immaculate Heart of Mary | Rebecca Martusewicz | Teacher Education | | | | \$1,500 | \$1,500 |
| NUMBER OF AWARDS: | 29 | | TOTAL: | \$23,300 | \$1,835,271 | \$125,600 | \$2,737,855 | \$4,722,026 |
| ward Bound - Renewal 2010-2011 | U.S. Department of Education | Sandra Gonzales | Upward Bound Program | | \$10,236 | | \$398,292 | \$408,528 |
| Training Content Area Teachers to Teach English Year 3: 2010-2011 | U.S. Department of Education | Alexander Popko | World Languages | | | | \$277,402 | \$277,402 |
| Quarter School Planning and Implementation Grant-Phase Three | Michigan Japanese Bilingual Education Foundation | Hitomi Oketani | World Languages | | | | \$1,080 | \$1,080 |
| Japanese School of Detroit - Year Eleven | Japanese School of Detroit | Hitomi Oketani | World Languages | | \$7,800 | | \$12,948 | \$20,748 |

Division of Information Technology

STRATEGIC INITIATIVES PROGRESS REPORT

June - August 2010

Computer Refresh

- Planning for the 2010 Faculty/Staff Computer Refresh Program (CRP) began on 4/27/2010 with the initial meeting of the CRP Committee. The committee worked through May and June planning the various aspects of the program including model selection and the ordering process.
- We anticipate refreshing approximately 530 computers for full-time faculty/staff in this round. The computers these replace will then be "trickled-down" to refresh 5-7 year old computers being used by part-time instructors, GAs, student employees, etc.
- Departments began ordering systems in early-August. Deployment targeted to begin in September. Orders will be accepted through the end of November.

Enterprise Resource Planning (ERP) System

- Technical implementation of Banner 8 completed successfully July 15th through July 19th.
- Luminis (my.emich) enterprise portal upgrade completed along with the Banner 8 upgrade.
- Implementation of Axiom's online application suite for Undergraduate admissions now scheduled to be completed in September 2010.

Technology Infrastructure

Wireless:

- A residential wireless project is underway, and the First Year Center (freshman quadrant) will be completed in September 2010.
- Completed, planned and future installation locations are available at:
<http://it.emich.edu/wireless/>

VoIP

- Design of technical analysis for central VoIP systems in progress (Mark-Jefferson, Pray-Harold, and Fletcher). Completion expected by August 31st. Basic design is complete. Equipment is ordered for core system.

Network Switches

- Upgrade of Halle, Boone, and Porter networking systems is complete.

Eastern Michigan University
CASH AND INVESTMENTS
 July 31, 2010

| <u>Operating Cash and Investments</u> | Account Balance | |
|--|-------------------------|--------------|
| | Dollars | Pct. Total |
| <u>Cash</u> | | |
| Eagle Crest Citizen's Account | \$56,321.85 | |
| Chase Commerical Checking Accounts | 3,785,730.83 | |
| Total Cash | <u>\$3,842,052.68</u> | |
| <u>Short-term Investments</u> | | |
| Bank of Ann Arbor Trust Account | \$630,649.73 | 0.9% |
| Northern Institutional Government Select Money Market Fund | 4,000,000.00 | 5.8% |
| Dreyfus Institutional Preferred Money Market Fund | 3,008,216.96 | 4.4% |
| Vanguard Prime Money Market Fund | 3,015,119.08 | 4.4% |
| Total Short-term investments | <u>\$10,653,985.77</u> | <u>15.5%</u> |
| <u>Intermediate Investments</u> | | |
| WESTERN Asset Intermediate | \$7,819,904.89 | 11.4% |
| PIMCO Low Duration Institutional | 7,735,052.62 | 11.2% |
| Total Intermediate investments | <u>\$15,554,957.51</u> | <u>22.6%</u> |
| <u>Long-term Investments</u> | | |
| U.S. Treasury Strips | \$63,045.00 | 0.1% |
| Vanguard Small Cap Index | 2,167,500.37 | 3.1% |
| Vanguard Developed Markets | 1,933,774.17 | 2.8% |
| JPMorgan Core Bond Fund Select | 5,338,776.43 | 7.8% |
| Vanguard Institutional Index | 8,355,048.92 | 12.1% |
| PIMCO Total Return Bond Fund | 24,803,536.48 | 36.0% |
| Total Long-term investments | <u>\$42,661,681.37</u> | <u>61.9%</u> |
| Total Investments | \$68,870,624.65 | 100.0% |
| <u>Total Operating Cash And Investments</u> | <u>\$72,712,677.33</u> | |
| <u>Less: Outstanding Check and Reconciliation Items</u> | <u>\$(2,540,533.00)</u> | |
| <u>Total Net Operating Cash and Investments</u> | <u>\$70,172,144.33</u> | |

Bond Proceeds Investments

| | |
|--|------------------------|
| <u>Fixed Income</u> | |
| Accrued Interest | \$239,239.66 |
| Comerica 2009 Bond Proceeds Account | 388,820.75 |
| Corporate Bonds | 5,727,195.49 |
| CD's | 8,923,137.00 |
| Other Fixed Income Securities | 0.00 |
| US Treasury/Agency Securities | 24,789,389.82 |
| CD Placements | 4,737,000.00 |
| <u>Total Bond Proceeds Investments</u> | <u>\$44,804,782.72</u> |

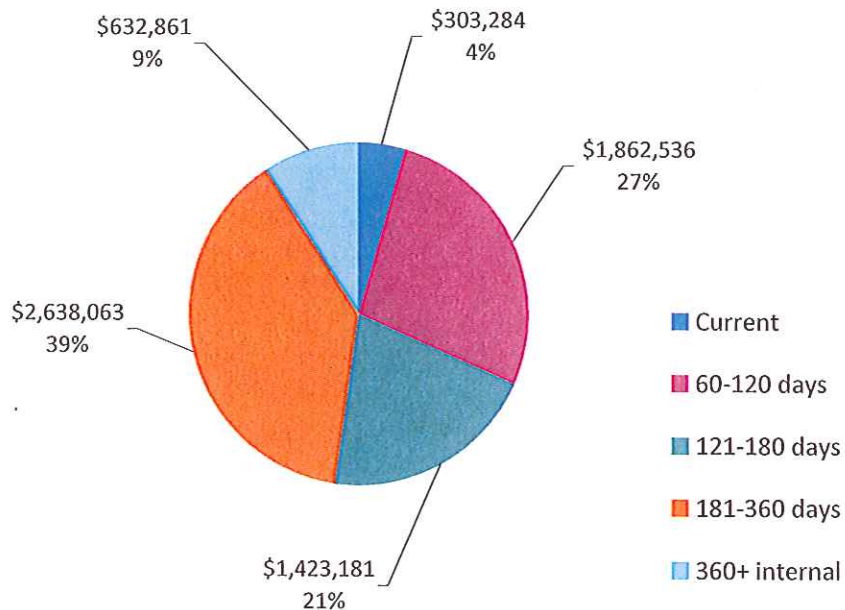
Total Net Operating Cash, Investments and Bond Proceeds \$114,976,927.05

Eastern Michigan University
LONG-TERM INVESTMENTS
 July 31, 2010

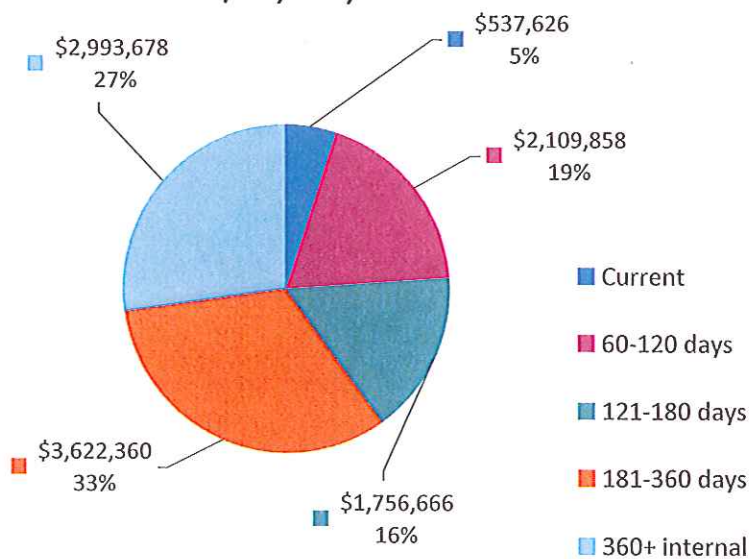
| Portfolio Composition | Account Balance | | Target |
|--------------------------------|------------------------|---------------|-------------|
| | Dollars | Pct. Total | |
| <u>Domestic Equities</u> | | | |
| Vanguard Small Cap Index | \$2,167,500.37 | 5.1% | 5% |
| Vanguard Institutional Index | 8,355,048.92 | 19.6% | 20% |
| Total Domestic Equities | <u>\$10,522,549.29</u> | <u>24.7%</u> | <u>25%</u> |
| <u>International Equities</u> | | | |
| Vanguard Developed Markets | \$1,933,774.17 | 4.5% | 5% |
| Total International Equities | <u>\$1,933,774.17</u> | <u>4.5%</u> | <u>5%</u> |
| <u>Fixed Income</u> | | | |
| U.S. Treasury Strips | \$63,045.00 | 0.1% | |
| JPMorgan Core Bond Fund Select | 5,338,776.43 | 12.5% | |
| PIMCO Total Return Bond Fund | 24,803,536.48 | 58.1% | |
| Total Fixed Income | <u>\$30,205,357.91</u> | <u>70.8%</u> | |
| <u>Cash Equivalent/Other</u> | | | |
| Total Cash Equivalent | \$0.00 | 0.0% | 0% |
| Total Long-Term Investments | <u>\$42,661,681.37</u> | <u>100.0%</u> | <u>100%</u> |

Eastern Michigan University
Student Accounts Receivable Activity
As of June 30, 2010 and 2009

June 2010
Total \$6,859,925



June 2009
Total \$11,020,188



Eastern Michigan University
Student Accounts Receivable Activity
July 1, 2009 - June 30, 2010

Accounts Receivable Balance June 30, 2010 per EMU Financial Statements

11,022,497

Revenue

| | |
|---|--------------|
| Tuition | |
| Fees | 150,751,055 |
| Summer 2009 Tuition and Fees Collected in 08-09 | 43,178,126 |
| Summer 2009 Tuition and Fees Collected in 09-10 | 6,519,074 |
| Summer 2010 Tuition and Fees Collected in 10-11 | 3,586,219 |
| Room / Board | (11,445,195) |
| Misc. | 22,569,286 |
| | 2,692,619 |

Total Revenue

217,851,184

Financial Aid

| | |
|-------------------------------|---------------|
| Federal Pell Grants | (30,455,216) |
| FFELP Loans | (13,195,935) |
| Perkins Loans | (1,665,758) |
| Federal SEOG Grants | (1,003,216) |
| Michigan Grant & Scholarships | (580,584) |
| Alternative Loans | (7,973,410) |
| Institutional Grants | (28,695,736) |
| Federal Direct Loans | (130,288,739) |

Total Financial Aid

(213,858,594)

Payments

| | |
|-------------|--------------|
| Cash | |
| Web Check | (22,402,903) |
| Credit Card | (40,837,827) |
| Third Party | (7,291,704) |
| | (13,762,810) |

Total Payments

(84,295,244)

Grad Assistants, Doctorial Fellowships and Waivers

(5,583,158)

Collection Agency Assignments

(5,760,383)

Refunds of Credits to Students

86,295,250

Total Activity

(5,350,945)

Less Income for Summer 2009 Collected in 08-09

6,519,074

Plus Income for Summer 2010 Collected in 09-10

7,707,447

Accounts Receivable Balance June 30, 2010

6,859,925

GL

\$6,912,446

tgrrcon - A

10,937,749

tgrrcon - B

(287,555)

Summer assessed but not paid - June 30

(3,737,748)

tgrrcon total

6,912,446

in transit

(52,521)

EASTERN MICHIGAN UNIVERSITY
SCHEDULE OF NET ASSETS

As of July 31, 2010

DRAFT

ASSETS**Current Assets:**

| | | | | | | | |
|---|---------------|--------------|--------------|--------------|--------------|------------|---------------|
| Cash and short-term investments | \$ 18,202,526 | \$ 6,774,149 | \$ 1,836,798 | \$ 1,761,132 | \$ (596,671) | \$ 556,341 | \$ 27,450,908 |
| Student Accounts receivable, net of allowance | 75,371,106 | 0 | 0 | 0 | 0 | 0 | 75,371,106 |
| \$2,782,183 | | | | | | | |
| Other Accounts receivable, net | 1,566,919 | 265,817 | 2,732,313 | 8,358,014 | 503,384 | 0 | 13,940,313 |
| Appropriation receivable | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Inventories | 503,393 | 0 | 552,389 | 0 | 0 | 0 | 1,055,782 |
| Deposits and prepaid expenses | 1,050,671 | 0 | 604,133 | 0 | 0 | 0 | 2,340,579 |
| Accrued interest receivable | 144,601 | 3,798 | 0 | 0 | 382 | 0 | 163,028 |
| Total current assets | 96,879,216 | 7,063,764 | 5,725,633 | 10,119,146 | (92,305) | 556,341 | 120,321,716 |

Noncurrent Assets:

| | | | | | | | |
|--------------------------------|------------|-----------|-----------|------------|------------|---------|-------------|
| Student Loans receivable, net | 0 | 0 | 0 | 0 | 12,443,611 | 0 | 12,443,611 |
| Long-term investments | 0 | 0 | 0 | 59,555 | 0 | 0 | 87,526,019 |
| Capital Assets, net | 0 | 0 | 0 | 0 | 0 | 0 | 378,169,042 |
| Unamortized Bond Expenses, net | 0 | 0 | 0 | 0 | 2,347,482 | 0 | 2,347,482 |
| Total noncurrent assets | 0 | 0 | 0 | 59,555 | 12,443,611 | 0 | 430,435,154 |
| Total assets | 96,879,216 | 7,063,764 | 5,725,633 | 10,178,701 | 12,350,706 | 556,341 | 600,806,870 |

LIABILITIES**Current Liabilities:**

| | | | | | | | |
|---|------------|--------|-----------|-----------|-----------|---------|--------------|
| Current portion of long-term debt | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 3,610,000 |
| Accounts payable and accrued liabilities | 1,125,574 | 6,797 | 3,244,305 | 2,163,125 | 2,922,988 | 0 | 9,462,689 |
| Accrued payroll | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Payroll taxes and accrued fringe benefits | 7,313,420 | 0 | 553,642 | 0 | 0 | 0 | 7,867,062 |
| Unearned fees and deposits | 579,554 | 49,489 | 854,465 | 449,259 | 0 | 556,341 | 3,429,565 |
| Insurance and other claims payable | 1,652,801 | 0 | 956,098 | 0 | 940,447 | 0 | 3,429,565 |
| Total current liabilities | 10,671,359 | 56,286 | 5,608,510 | 2,612,384 | 7,473,335 | 556,341 | 26,978,215 |

Noncurrent Liabilities:

| | | | | | | | |
|------------------------------------|------------|--------|-----------|-----------|------------|---------|-------------|
| Accrued Compensated Absences | 4,398,145 | 0 | 365,139 | 0 | 0 | 0 | 4,763,284 |
| Long-term debt | 0 | 0 | 0 | 0 | 0 | 0 | 237,350,000 |
| Swap derivatives fair market value | 0 | 0 | 0 | 0 | 0 | 0 | 22,439,956 |
| Federal Portion of Perkins Program | 0 | 0 | 0 | 0 | 0 | 0 | 10,796,242 |
| Total noncurrent liabilities | 4,398,145 | 0 | 365,139 | 0 | 10,796,242 | 0 | 275,349,482 |
| Total liabilities | 15,069,504 | 56,286 | 5,973,649 | 2,612,384 | 10,796,242 | 556,341 | 302,327,697 |

NET ASSETS:

| | | | | | | | |
|---|------------|-----------|-----------|------------|------------|---------|----------------|
| Invested in capital assets, net of related debt | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 165,092,385 |
| Restricted, expendable | 0 | 0 | 0 | 7,566,317 | 1,554,464 | 0 | 9,120,781 |
| Unrestricted | 0 | 7,007,478 | (248,016) | 0 | 0 | 0 | 42,456,297 |
| Designated | 81,809,712 | 0 | 0 | 0 | 0 | 0 | 31,809,712 |
| Undesignated | 0 | 0 | 0 | 0 | 0 | 0 | 296,479,175 |
| Total net assets | 81,809,712 | 7,007,478 | (248,016) | 7,566,317 | 1,554,464 | 0 | 296,479,175 |
| Total Liabilities and net assets | 96,879,216 | 7,063,764 | 5,725,633 | 10,178,701 | 12,350,706 | 556,341 | 600,806,872 |

EASTERN MICHIGAN

| | Budget | | | Actual | | | Variance | | | Percentage Of Budget To Date | | |
|---|--------------------------------------|-----------------------------------|-----------------|--|-------------------------------------|-------------------|--|-------------------------------------|-------------------|--|-------------------------------------|-------------------|
| | FY 2010-11 General Fund Budget | FY 2010-11 Auxiliary Budget | Total Budget | FY 2010-11 General Fund 07/31/10 | FY 2010-11 Auxiliary 07/31/10 | Total 07/31/10 | FY 2010-11 General Fund 07/31/10 | FY 2010-11 Auxiliary 07/31/10 | Total 07/31/10 | FY 2010-11 General Fund 07/31/10 | FY 2010-11 Auxiliary 07/31/10 | Total 07/31/10 |
| Operating Revenues | | | | | | | | | | | | |
| Student Tuition and Fees | \$ 198,215,534 | | \$ 198,215,534 | \$ 80,777,002 | | \$ 80,777,002 | \$ (117,438,532) | | \$ (117,438,532) | 40.75% | | 40.75% |
| Departmental Activities | 1,394,000 | | 1,394,000 | 74,862 | | 74,862 | (1,309,138) | | (1,309,138) | 5.41% | | 5.41% |
| Auxiliary | | 38,537,873 | 38,537,873 | 534,315 | | 534,315 | (38,003,558) | | (38,003,558) | 1.39% | | 1.39% |
| Grants and contracts | 585,000 | | 585,000 | 70,178 | | 70,178 | (514,822) | | (514,822) | 12.00% | | 12.00% |
| Indirect Cost Recovery | 2,463,442 | | 2,463,442 | 26,725 | | 26,725 | (2,436,717) | | (2,436,717) | 1.08% | | 1.08% |
| Other | 202,647,976 | 38,537,873 | 241,185,849 | 80,948,767 | 534,315 | 81,483,082 | (121,699,209) | (38,003,558) | (159,702,767) | 39.95% | 1.39% | 33.73% |
| Total Approved Funding | | | | | | | | | | | | |
| Operating Expenditures | | | | | | | | | | | | |
| Instruction | 108,108,531 | | 108,108,531 | 3,396,912 | | 3,396,912 | (104,711,619) | | (104,711,619) | 3.14% | | 3.14% |
| Research | 1,462,975 | | 1,462,975 | 55,351 | | 55,351 | (1,407,624) | | (1,407,624) | 3.78% | | 3.78% |
| Public service | 3,901,267 | | 3,901,267 | 211,143 | | 211,143 | (3,690,124) | | (3,690,124) | 5.41% | | 5.41% |
| Academic support | 29,205,333 | | 29,205,333 | 1,164,703 | | 1,164,703 | (28,040,630) | | (28,040,630) | 3.99% | | 3.99% |
| Student services | 25,685,439 | | 25,685,439 | 1,506,565 | | 1,506,565 | (24,178,874) | | (24,178,874) | 5.87% | | 5.87% |
| Institutional support | 43,607,936 | | 43,607,936 | 3,790,952 | | 3,790,952 | (39,816,984) | | (39,816,984) | 8.69% | | 8.69% |
| Scholarships and fellowships | 26,206,441 | | 26,206,441 | 97,721 | | 97,721 | (26,108,720) | | (26,108,720) | 0.37% | | 0.37% |
| Operation and maintenance | 25,216,536 | | 25,216,536 | 994,053 | | 994,053 | (24,222,483) | | (24,222,483) | 3.94% | | 3.94% |
| Auxiliary | | 32,863,822 | 32,863,822 | 846,601 | | 846,601 | (32,017,221) | | (32,017,221) | 2.59% | | 2.59% |
| Other(Capital Additions, net) | 2,422,663 | | 2,422,663 | | | | (2,422,663) | | (2,422,663) | | | |
| Total Operating Expense | 265,817,121 | 32,863,822 | 298,680,943 | 11,217,400 | 846,601 | 12,064,001 | (284,599,721) | (32,017,221) | (316,616,942) | 4.22% | 2.59% | 4.04% |
| Operating Income/Loss | (63,169,145) | 5,674,051 | (57,495,094) | 69,731,367 | (312,286) | 69,419,081 | 132,900,512 | (5,986,337) | 126,914,175 | -110.39% | -5.50% | -120.74% |
| Nonoperating Revenues (Expenses) | | | | | | | | | | | | |
| Appropriations | 75,800,000 | | 75,800,000 | (6,905,962) | | (6,905,962) | (32,705,962) | | (32,705,962) | -9.11% | | -9.11% |
| Gifts | | | | | | | | | | | | |
| Investment income | 2,500,000 | 61,562 | 2,561,562 | 73,654 | 11,990 | 85,644 | (2,426,346) | (49,572) | (2,475,918) | 2.95% | 19.48% | 3.34% |
| Fund Balance | | | | | | | | | | | | |
| Net nonoperating revenues | 78,300,000 | 61,562 | 78,361,562 | (6,832,308) | 11,990 | (6,820,318) | (85,132,308) | (49,572) | (85,181,880) | -8.73% | 19.48% | -8.70% |
| Transfers in (Out) | | | | | | | | | | | | |
| Debt Retirement | (11,700,000) | (3,241,026) | (14,941,026) | | | | 11,700,000 | 3,241,026 | 14,941,026 | 0.00% | 0.00% | 0.00% |
| Provision 2005 M/J PH | (4,400,000) | | (4,400,000) | | | | 4,400,000 | | 4,400,000 | 0.00% | | 0.00% |
| Asset Preservation | (200,000) | | (200,000) | | | | 200,000 | | 200,000 | 0.00% | | 0.0 |

+ = transfer in. () = transfer out