

**BOARD OF REGENTS**  
**EASTERN MICHIGAN UNIVERSITY**

**SECTION: 17**

**DATE:**  
February 15, 2011

**RECOMMENDATION**

**FINANCE AND AUDIT COMMITTEE**

**ACTION REQUESTED**

It is recommended that the Board of Regents receive and place on file the minutes from the December 16, 2010 Finance and Audit Committee meeting, the Working Agenda for the February 15, 2011 meeting and the Informational Reports and Financial Updates.

**STAFF SUMMARY**

December 16, 2010

Regular agenda items discussed at the December 16, 2010 Finance and Audit Committee were Staff Appointments and Staff Separations/Retirements for period October 1 – November 15, 2010, as well as the Informational Reports and Financial Updates as of October 31, 2010. The Committee also reviewed recommendation to the Board for:

- The 2009 – 2010 Eastern Michigan University Foundation Annual Report

February 15, 2011 Meeting Agenda

Regular agenda items include Staff Appointments and Staff Separations/Retirements for period November 16 – January 31, 2011, as well as the Informational Reports and Financial Updates as of December 31, 2010. The Committee also will review recommendation to the Board for:

- WEMU 2009-10 Financial Statements

Informational Presentations

Science Complex and Pray-Harrold Projects Updates

(John Donegan)

**FISCAL IMPLICATIONS**

None

**ADMINISTRATIVE RECOMMENDATION**

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

University Executive Officer

Date

2/15/11

**Eastern Michigan University  
Finance and Audit Committee  
Meeting Minutes  
December 16, 2010**

The meeting was called to order at 3:00 PM by Regent Incarnati.

**REGULAR AGENDA**

**Section 12      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 October 19, 2010.

**Grants and Contracts**

For the month of October, \$1.7M in grant and contract awards were received. For the fiscal year-to-date through October, grant and contract awards totaled \$5.7M, 7.9% (\$508K) below the same period a year ago. 45 awards have been received YTD compared with 34 through October last year. Two thirds of the awards are federal (30 of 45), but on a dollar value basis, federal awards account for virtually all (97%) of the dollars awarded. 53 proposals have been submitted YTD through October totaling \$13.3M. A year ago, there were 57 proposals submitted through October totaling \$38.4M.

**Information Technology – Strategic Initiatives Progress Report**

Investigation into the September 3<sup>rd</sup> server security breach has been completed with no data exposures identified by forensic analysts. On advice of external counsel, letters were sent to users and attorneys general in six states to comply with appropriate state statutes.

The University's FY11 Computer Refresh Program continues on track. Ordering continues through the end of November and as of October 31, 80% of the systems have been ordered. It is expected that approximately 530 computers for full-time faculty and staff will be refreshed in FY11. The replaced computers will be utilized as replacements for 5-7 year old computers used by part-time instructors, GA's, and student employees.

Technology Infrastructure projects are progressing with Residential Wireless in the First Year Center online and fully functional. Next steps and broader roll-out plan under study. Network Switches installations continuing with Halle, Boone and Porter completed to date. VOIP technology being incorporated in the Science Complex, Pray-Harrod and Fletcher projects. Technical design completed and equipment for the new system (servers and handsets) has been ordered. Test/pilot implementation will begin in December at Fletcher followed by the Science Complex. Campus-wide rollout of VOIP will be discussed with the Board as part of the rolling, three year capital planning process. Projects are underway to analyze the University's current portal (my.emich) and approach to business intelligence/reporting.

**Financial Updates as of October 31, 2010**

Eastern's cash and investments balance in October was \$135.9M, including \$96.7M of normal operating and working capital (equivalent to 107 days cash on hand) and \$39.2M remaining in bond proceeds from the \$100M borrowed last June for the Science Complex and other capital projects. The 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 October 31, are consistent with budget and reflect Eastern's normal seasonality.

**Operating and Working Capital Investment Portfolio**

For the first four months of the fiscal year, the University's operating and working capital investment portfolio earned 3.4%. At October 31, Eastern's \$96.7M investment portfolio consisted of \$44.7M in the Long Term Pool, \$15.9M in the Intermediate Term Pool; and \$36.1M in the Short Term Pool. The asset allocations remain consistent with those prescribed in the Investment Policy. At October 31, the Long Term Pool mix includes 30% in equities (25% domestic, 5% International), also consistent with the ranges outlined in the approved Investment Policy.

**Student Accounts Receivable**

Student accounts receivable at October 31 were \$11.7M, a reduction of \$4.4M (or 27%) from the \$16.1M level at October 31<sup>st</sup>, 2009.

At October 31, total net assets and unrestricted net assets were \$243.6M and \$73.4M, respectively, both consistent with budget.

**FY11 Operating Budget Outlook**

- Based on two key revenue assumptions (1) that student credit hours in Winter and Spring semesters grow at the exact same year-to-year rate as Fall (2.65%), and (2) that the state appropriation remains at the \$76.0M level

included in the State's budget, Eastern faces a \$1M-\$2M challenge for FY11 on its \$281M General Fund budget. Plans/actions to recover the shortfall are in process including efforts to increase enrollment as well as potential cost savings actions.

- Winter semester enrollment data is encouraging. As of November 29<sup>th</sup>, with about 75% of the registration process completed, student credit hours for the Winter semester are tracking up 4.0% compared with the same point a year ago (vs 3.4% in the FY11 budget and 2.65% referenced above that's reflected in the forecast). If the 4.0% year-to-year increase for the Winter semester is realized, YTD hours will be up 3.4%--equal to budget.
- YTD expenditures through October were \$86.1M in the General Fund (30.6% of full year budget) and \$11.7M for Auxiliary activities (30.4% of full year budget). Although total expenditures are tracking very close to budget, health care costs/claims are tracking with debt service and utilities costs under budget.

#### Consent Agenda Items

##### **Section 11: Recommendation Staff Appointments**

It is recommended that the Board of Regents approve 22 staff appointments for the reporting period of October 1 through November 15, 2010.

##### **Section 12 : Recommendation Staff Separations/Retirements**

It is recommended that the Board of Regents approve 9 separations and retirements for the reporting period October 1 through November 15, 2010.

#### Regular Agenda Items

##### **Section 21: Recommendation 2009-2010 Eastern Michigan University Foundation Annual Report Request**

It is requested that the Eastern Michigan University Board of Regents receive and place on file the Eastern Michigan University Foundation Annual Report for the year ended June 30, 2010.

The Committee also received a presentation from John Donegan on the status of major university capital projects.

Meeting was adjourned at 3:45 PM.

Respectfully Submitted,

Marsha Downs

**BOARD OF REGENTS**  
**EASTERN MICHIGAN UNIVERSITY**  
201 WELCH HALL  
(734) 487-2410

Tuesday, February 15, 2011  
3:00 PM

**FINANCE AND AUDIT COMMITTEE**

**CONSENT AGENDA**

Section:       Recommendation       Staff Appointments

Section:       Recommendation       Staff Separations / Retirements

**REGULAR AGENDA**

Section:       Recommendation       Informational Reports and Financial Updates

- Minutes from December 16, 2010
- February 15 Finance and Audit Committee Agenda
- Executive Summary
- Grants and Contracts
- Campaign and Fundraising Status
- IT Strategic Initiatives Progress Report
- Financial Reports

Section:       Recommendation       WEMU 2009-10 Financial Statements

**INFORMATIONAL PRESENTATIONS**

- Science Complex and Pray-Harrold Project Updates

John Donegan

Eastern Michigan University  
Board of Regents – February 15, 2010 Finance and Audit Committee  
Informational Reports and Financial Update  
(Executive Summary)

**Grants and Contracts (through December 31, 2010)**

- In the months of November and December, \$2.5M in grant and contract awards were received.
- For the fiscal year-to-date (YTD) through December, grant and contract awards totaled \$8.4M, an increase of 11% (\$833K) over the same period a year ago.
- 61 awards have been received YTD compared with 54 through December last year. While 56% of the YTD awards are federal (34 of 61), they account for 70% of the award dollars.
- 75 proposals have been submitted YTD through December totaling \$20.2M. A year ago, there were 87 proposals submitted through December totaling \$47.4M.

**Annual Fundraising and Campaign Status (through January 27, 2011)**

- As of January 27, 2011, or slightly more than halfway through the fiscal year, YTD fundraising including cash and Gifts-In-Kind totaled \$2.9M.
- For all of fiscal year 2009-10, \$5.4M was raised; fundraising totals for fiscal year 2008-09 were \$6.8M (including \$2.6M Gifts-In-Kind).
- To date, the Campaign total is \$39.8M, or 79.6% of the \$50M goal.

**Information Technology – Strategic Initiatives Progress Report**

- An RFP has been issued requesting bids for a University-wide security assessment. Proposals are due mid-February with the contract award planned for March.
- IT also is working with the Department of Homeland Security through their offer to assist Washtenaw County organizations with training and security programs.
- The University's FY11 computer refresh program is largely complete. A total of 545 computers for full-time faculty and staff were refreshed with 67% Dell (Windows) and 33% Apple (Macs).
- EagleMail – a cross-divisional Email Review Committee is being formed to conduct a full review of email service options available to Eastern students, faculty, and staff. It's expected the committee will recommend a solution by May.
- Two other projects are underway involving improvements to business intelligence and reporting as well as identify the optimal long term University portal (my.emich) solution.
- VOIP – technology being incorporated in Science Complex, Pray-Harrold, and Fletcher projects. Technical design and core system installation is complete and equipment for the new system (servers and handsets) has been received. The Science Complex and Fletcher have been converted to VOIP handsets and planning for the Pray-Harrold conversion will begin by March.

<b>Financial Update</b>
-------------------------

**Balance Sheet (at December 31, 2010)**

- Eastern's **cash and investments** balance on December 31 was \$152.4M, including \$113.3M of normal operating and working capital (equivalent to 125 days cash on hand) and \$39.1M remaining in bond proceeds from the \$100M borrowed in June 2009 for the Science Complex and other capital projects. (The 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 December 31 are consistent with budget and reflect Eastern's normal seasonality.
- For the first six months of the fiscal year through December, the University's **operating and working capital investment portfolio** earned 3.4%. At December 31, Eastern's \$113.3M investment portfolio consisted of \$45.0M in the Long Term Pool, \$12.2M in the Intermediate Term pool, and \$56.1M in the Short Term Pool. The asset allocations remain consistent with those prescribed in the Investment Policy. At December 31, the Long Term pool mix reflected 32% in equities (27% domestic, 5% International) – also consistent with the ranges outlined in the approved Investment Policy.
- **Student accounts receivable** balances at December 31 are not representative or comparable year-to-year as December month end is in the middle of the Winter semester registration/payment/refund cycles. It's expected that January month end balances will continue the trend of year-to-year reductions in student receivables.
- At December 31, **total net assets and unrestricted net assets** were \$269.8M and \$92.0M, respectively, both consistent with budget.

**Student Credit Hours – Winter Semester and Full Year Projection**

- As of January 17, student credit hours for Winter term totaled 227,356 hours – an increase of 1.96% compared with Winter 2010. Final credit hours for the Fall semester were up 2.51% year-to-year.
- The current forecast for the full 2010-11 academic year is 548,100 hours, representing an increase of 2.44% (13,000 hours) over 2009-10.
- The University's FY10-11 budget reflected 3.4% credit hour growth. Compared with budget, the current forecast (at 2.44% growth for the year) results in a 5,400 hour shortfall to budget, equivalent to approximately \$1.9M in revenue.
- Based on the current forecast of 548,100 hours, credit hours will have grown by almost 35,000 hours (6.8%) over the last two years. Including the Winter semester, year-to-year credit hour growth has now been achieved for 8 consecutive semesters.

**GRANTS AND CONTRACTS**  
**FY 2011 PROGRESS REPORT**  
February 15, 2011

**TABLE I: PROPOSALS**

Proposals by Activity:	FY2011 Activity through 12/31	
	No. to Date	Dollar Value to Date
Research & Development Service	38	\$11,886,249
Corporate/Community Training	26	\$6,215,221
Instructional Support & Other	3	\$419,596
Total Proposals	8	\$1,649,326
	75	20,170,392
<b>Proposals by Funding Source:</b>		
Federal	44	\$17,831,505
State	5	\$513,498
Foundations	9	\$305,194
Business & Industry	7	\$115,914
Local Govt. & Other Non-Profits	10	\$1,404,281
Total Proposals	75	\$20,170,392

FY2010 Activity through 12/31	
No. to Date	Dollar Value to Date
40	\$36,570,201
26	\$4,195,155
8	\$930,581
13	\$5,739,921
87	\$47,435,858
58	\$45,596,628
10	\$745,565
7	\$824,325
3	\$28,520
9	\$240,820
87	\$47,435,858

FY2009 Activity through 12/31	
No. to Date	Dollar Value to Date
51	\$23,259,065
32	\$3,034,494
10	\$1,361,670
12	\$1,066,329
105	\$28,721,558
45	\$25,053,521
20	\$1,507,077
9	\$1,462,928
9	\$210,231
22	\$487,801
105	\$28,721,558

FY2011 vs. FY2010 Actual to Date Var.	
No. to Date	Dollar Value to Date
(2)	(\$24,683,952)
0	\$2,020,066
(5)	(\$510,985)
(5)	(\$4,090,595)
(12)	(\$27,265,466)
(14)	(\$27,765,123)
(5)	(\$232,067)
2	(\$519,131)
4	\$87,394
1	\$1,163,461
(12)	(\$27,265,466)

**TABLE II: AWARDS**

Awards by Activity:		
Research & Development Service	23	\$2,495,495
Corporate/Community Training	26	\$4,568,871
Instructional Support & Other	3	\$372,557
	9	\$942,470
Total Awards	61	\$8,379,393
Awards by Funding Source:		
Federal	34	\$5,921,111
State	4	\$369,318
Foundations*	8	\$633,909
Business & Industry	8	\$118,607
Local Govt. & Other Non-Profits*	7	\$1,336,448
Total Awards	61	\$8,379,393

18	\$2,111,005
25	\$4,661,010
2	\$319,855
9	\$454,541
54	\$7,546,411
33	\$6,717,179
6	\$369,680
1	\$1,000
3	\$28,520
11	\$430,032
54	\$7,546,411

27	\$4,436,121
31	\$3,017,459
2	\$300,538
8	\$1,193,177
68	\$8,947,295
26	\$7,189,990
10	\$368,030
7	\$808,850
10	\$234,070
15	\$346,355
68	\$8,947,295

5	\$384,490
1	(\$92,139)
1	\$52,702
0	\$487,929
7	\$832,982
1	(\$796,068)
(2)	(\$362)
7	\$632,909
5	\$90,087
(4)	\$906,416
7	\$832,982

**\*Grants reported jointly with the EMU Foundation:**

Knight Foundation	\$24,988
Michigan Japanese Bilingual Education Foundation	\$39,769
Japan Business Society of Detroit Foundation	\$1,500
Japan Business Society of Detroit Foundation	\$2,000
DTE Energy Foundation	\$20,000

PricewaterhouseCoopers Charitable Foundation, Inc.  
Woodrow Wilson Foundation  
Doha International Inst. for Family Studies & Development  
Sisters, Servants of the Immaculate Heart of Mary

Total: \$635,409

**EASTERN MICHIGAN UNIVERSITY**  
**Summary of Grants and Contracts Received: November 1, 2010 - December 31, 2010**  
**Report to the Board of Regents: February 15, 2011**

Project Title	Funding Agency	Project Director	EMU Unit	3rd Party In-kind	EMU In-kind	EMU Cash	Sponsor	Total
Getting on the Right Track--Trackers Program (Michigan 4-S program)-renewal- 2010-2011	Michigan Department of Labor and Economic Growth	Mary Zdrojowski	Holman Learning Center	\$69,955	\$106,927		\$150,000	\$326,882
EMU-Woodrow Wilson Fellowship	Woodrow Wilson Foundation	Jack Kay	Provost's Office		\$657,834	\$10,160	\$500,000	\$1,167,994
WEMU Community Service Grant, 2010-2011	Corporation for Public Broadcasting	Arthur Timko	WEMU Radio				\$188,448	\$188,448
2010-2011 Great Start Readiness Program	Michigan Department of Education	Christine Aris	Children's Institute				\$170,000	\$170,000
UM:NIH- Stroke Health and Risk Education Year 2	University of Michigan	Kathleen Conley	School of Health Promotion and Human Performance				\$81,532	\$81,532
Analyses of bacteria concentrations and composition in sediments, and living tissue within the St. Joseph River	U.S. Geological Survey	Daniel Clemans	Biology				\$20,000	\$20,000
Issues of Quality in China-U.S. Automotive Supply Chain: The Case of Vehicle Interior Parts	Daimler North America, Inc.	Jianhua Wang	School of Engineering Technology				\$20,000	\$20,000
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	Health & Human Services				\$920,000	\$920,000
Pay It Forward: Strengthening Communities Through Student-Led Philanthropy	Michigan Campus Compact	Jessica Alexander	Academic Service-Learning		\$22,667		\$15,000	\$37,667
Linking Research to Policy in the Middle East: Family Ties and Aging	Doha International Institute for Family Studies & Development	Kristine Ajrouch	Sociology, Anthropology and Criminology				\$35,652	\$35,652
Japanese Language Promotional Materials Development Project	Japan Business Society of Detroit Foundation	Motoko Tabuse	World Languages				\$2,000	\$2,000
Michigan Department of Career Development KCP State GEAR-UP Program 2010-2011	Michigan Department of Labor & Economic Growth	Janice Jones	Holman Learning Center	\$102,093	\$102,936		\$81,880	\$286,909



Project Title	Funding Agency	Project Director	EMU Unit	3rd Party In-kind	EMU In-kind	EMU Cash	Sponsor	Total
CET 2010-2011: Lead and Asbestos Awareness Training	Michigan Department of Labor and Economic Growth	Barbara Hopkins	Center for Organizational Risk Reduction		\$7,640		\$40,000	\$47,640
Pilot Study to Evaluate the Rates of Eating Disordered Behavior in Autism	Knight Foundation	Judith Brooks	School of Health Sciences		\$12,151	\$10,891	\$24,988	\$48,030
The Dinner Show	Japan Business Society of Detroit Foundation	Koji Tanno	World Languages				\$1,500	\$1,500
Charter School Implementation Consultation	Japanese American School of Southeast Michigan	Hitomi Oketani	World Languages		\$61,691		\$210,000	\$271,691
NUMBER OF AWARDS: 16			TOTAL:	\$172,048	\$971,846	\$21,051	\$2,461,000	\$3,625,945

**EMU FOUNDATION  
SUMMARY OF CAMPAIGN RESULTS AND  
FISCAL YEAR-TO-DATE FUNDRAISING ACTIVITY  
AS OF 01/27/11**

**CAMPAIGN RESULTS:**

Cash and Gifts-In-Kind	\$ 29,358,978
Pledges	2,669,328
Revocable Bequests	<u>7,807,800</u>
<b>Total Campaign Results</b>	<b><u>\$ 39,836,106</u></b>

**FISCAL YEAR-TO-DATE FUNDRAISING ACTIVITY:**

Annuity/Unitrust	\$ 45,000
Endowed Scholarship	362,463
Endowed Program	135,645
Event/Expensed	68,790
Expendable Program	2,151,755
Expendable Scholarship	<u>124,810</u>
<b>Total Cash &amp; Gifts-In-Kind</b>	<b>\$ 2,888,463</b>
Outstanding Balance of New Pledges & Revocable Bequests	<u>3,139,994</u>
<b>Total Fiscal Year-To-Date Fundraising Activity</b>	<b><u>\$ 6,028,457</u></b>

# **Division of Information Technology**

## **STRATEGIC INITIATIVES PROGRESS REPORT**

**January 2011**

(For February Board of Regents Meeting)

### **Network Security**

- An RFP has been published requesting bids for a university-wide network security assessment. Vendor proposals are due by mid-February, with a contract award in March.

Additionally, we are working with the Department of Homeland Security on their offer to assist Washtenaw County organizations with security programs and training.

### **Computer Refresh**

- A total of 545 computers for full-time faculty/staff were refreshed as part of the 2010 Computer Refresh Program. The computers these replace will be "trickled-down" to refresh 5-7 year old computers used by part-time instructors, graduate assistants and student employees.
- Departments began ordering systems in early-August. Deployment of new systems began in September. Only a handful of systems remain to be set up.
- The mix for this year's orders was 67% Dell (Windows) and 33% Apple (Macs).

### **Enterprise Systems**

#### Business Intelligence:

- The project to analyze the current approach to Business Intelligence with an initial focus on Business Objects reporting is progressing. The long term goal is to improve the University's approach to Business Intelligence and enhance the current reporting mechanism to better serve the University's needs.

#### EagleMail

- A university cross-divisional Email Review Committee is being formed to conduct a full review of e-mail service options available to EMU students, faculty, and staff. This includes our current EagleMail service (provided by Merit Network) as well as other services (such as Google and Microsoft) in use at other universities. By May 2011, this committee will recommend a solution that will have the support of the community and will provide the functionality required to enhance teaching, learning and administrative services at EMU.

#### University Portal:

- The project to analyze the current portal (my.emich) solution and perform a comparative analysis versus the University's needs is progressing. The long term goal is to insure whatever solution is in place facilitates the University's business needs with a particular focus on the student population experience.

## **Technology Infrastructure**

### Voice over Internet (VoIP)

- Technical design for a university-wide VoIP system was completed for current construction projects (Mark-Jefferson, Pray-Harrold, and Fletcher). Equipment for the new system (servers and handsets) has been received. The core system installation is complete. Both the Mark-Jefferson addition and the Fletcher building have been converted to VoIP handsets. Planning for Pray-Harrold conversion to VoIP will begin by March.

### Network Switches

- Installation of new switch equipment continues. Sherzer Hall installation will be completed during the week of January 24th.

## **Strategic Planning**

- The final IT strategic planning session was held in January with participation from IT Steering Committee and IT Leadership.

Eastern Michigan University  
**CASH AND INVESTMENTS**  
December 31, 2010

<b>Operating Cash and Investments</b>	Account Balance	
	Dollars	Pct. Total
<b>Cash</b>		
Eagle Crest Citizen's Account	\$131,412.00	
Chase Commerical Checking Accounts	56,757,621.02	
Total Cash	<u>\$56,889,033.02</u>	
<b>Short-term Investments</b>		
Bank of Ann Arbor Trust Account	\$1,120,815.55	1.9%
Northern Institutional Government Select Money Market Fund	0.00	0.0%
Dreyfus Institutional Preferred Money Market Fund	11,876.33	0.0%
Vanguard Prime Money Market Fund	19,679.32	0.0%
Total Short-term investments	<u>\$1,152,371.20</u>	2.0%
<b>Intermediate Investments</b>		
WESTERN Asset Intermediate	\$6,157,056.52	10.5%
PIMCO Low Duration Institutional	6,032,796.91	10.3%
Total Intermediate Investments	<u>\$12,189,853.43</u>	20.9%
<b>Long-term Investments</b>		
U.S. Treasury Strips	\$61,534.00	0.1%
Vanguard Small Cap Index	2,620,477.07	4.5%
Vanguard Developed Markets	2,190,806.57	3.8%
JPMorgan Core Bond Fund Select	5,390,959.13	9.2%
Vanguard Institutional Index	9,623,162.61	16.5%
PIMCO Total Return Bond Fund	25,132,886.34	43.1%
Total Long-term investments	<u>\$45,019,825.72</u>	77.1%
<b>Total Investments</b>	<u>\$58,362,050.35</u>	100.0%
<b>Total Operating Cash And Investments</b>	<b>\$115,251,083.37</b>	
<b>Less: Outstanding Check and Reconciliation Items</b>	<b>\$(1,919,785.15)</b>	
<b>Total Net Operating Cash and Investments</b>	<b>\$113,331,298.22</b>	
<b>Bond Proceeds Investments</b>		
<b>Fixed Income</b>		
Accrued Interest	\$181,494.94	
Comerica 2009 Bond Proceeds Account	2,383,668.45	
Corporate Bonds	5,703,296.05	
CD's	6,301,650.75	
Other Fixed Income Securities	0.00	
US Treasury/Agency Securities	19,750,269.95	
CD Placements	4,737,000.00	
<b>Total Bond Proceeds Investments</b>	<u><b>\$39,057,380.14</b></u>	
<b>Total Net Operating Cash, Investments and Bond Proceeds</b>	<u><b>\$152,388,678.36</b></u>	

Eastern Michigan University  
**LONG-TERM INVESTMENTS**  
 December 31, 2010

Portfolio Composition	Account Balance		Target
	Dollars	Pct. Total	
<b><u>Domestic Equities</u></b>			
Vanguard Small Cap Index	\$2,620,477.07	5.8%	5%
Vanguard Institutional Index	9,623,162.61	21.4%	20%
Total Domestic Equities	<u>\$12,243,639.68</u>	<u>27.2%</u>	<u>25%</u>
<b><u>International Equities</u></b>			
Vanguard Developed Markets	<u>\$2,190,806.57</u>	<u>4.9%</u>	<u>5%</u>
Total International Equities	<u>\$2,190,806.57</u>	<u>4.9%</u>	<u>5%</u>
<b><u>Fixed Income</u></b>			
U.S. Treasury Strips	\$61,534.00	0.1%	
JPMorgan Core Bond Fund Select	5,390,959.13	12.0%	
PIMCO Total Return Bond Fund	<u>25,132,886.34</u>	<u>55.8%</u>	
Total Fixed Income	<u>\$30,585,379.47</u>	<u>67.9%</u>	
<b><u>Cash Equivalent/Other</u></b>			
Total Cash Equivalent	\$0.00	0.0%	0%
Total Long-Term Investments	<u>\$45,019,825.72</u>	<u>100.0%</u>	<u>100%</u>

**EASTERN MICHIGAN UNIVERSITY**  
**SCHEDULE OF NET ASSETS**  
As of December 31, 2010

**ASSETS****Current Assets:**

Cash and short-term investments	\$	80,745,646	\$	5,872,537	\$	14,578,824	\$	(13,172,348)	\$	(513,414)	\$	1,224,624	\$	776,575	\$	89,512,444
Student Accounts receivable, net of allowance \$991,312		1,620,472		0		0		0		0		0		0		1,620,472
Other Accounts receivable, net		3,003,000		863,123		2,603,958		17,404,509		569,955		(2,870)		0		24,441,675
Appropriation receivable		0		0		0		0		0		0		0		0
Inventories		476,439		0		604,508		0		0		0		0		1,080,947
Deposits and prepaid expenses		691,171		1,442		452,921		0		0		645,775		0		1,791,309
Accrued interest receivable		144,601		3,799		-		-		382		14,247		-		163,029
<b>Total current assets</b>		<b>86,681,329</b>		<b>6,740,901</b>		<b>18,240,211</b>		<b>4,232,161</b>		<b>56,923</b>		<b>1,881,776</b>		<b>776,575</b>		<b>118,609,876</b>

**Noncurrent Assets:**

Student Loans receivable, net		0		0		0		0		12,414,701		0		0		12,414,701
Long-term investments		0		0		0		53,348		0		62,822,886		0		62,876,234
Capital Assets, net		0		0		0		0		0		378,168,042		0		378,168,042
Unamortized Bond Expenses, net		-		-		-		-		-		2,347,483		-		2,347,483
<b>Total noncurrent assets</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>53,348</b>		<b>12,414,701</b>		<b>443,338,411</b>		<b>0</b>		<b>455,806,460</b>
<b>Total assets</b>		<b>\$ 86,681,329</b>		<b>\$ 6,740,901</b>		<b>\$ 18,240,211</b>		<b>\$ 4,285,509</b>		<b>\$ 12,471,624</b>		<b>\$ 445,220,187</b>		<b>\$ 776,575</b>		<b>\$ 574,416,336</b>

**LIABILITIES****Current Liabilities:**

Current portion of long-term debt	\$	0	\$	0	\$	0	\$	0	\$	0	\$	3,610,000	\$	0	\$	3,610,000
Accounts payable and accrued liabilities		1,492,215		6,139		2,093,737		43,266		0		2,682,496		0		6,317,853
Accrued payroll		6,612,088		0		0		0		0		0		0		6,612,088
Payroll taxes and accrued fringe benefits		3,830,124		0		553,642		0		0		0		0		4,383,766
Unearned fees and deposits		311,185		56,869		11,306,737		384,927		0		0		776,575		12,836,093
Insurance and other claims payable		1,692,041		-		947,325		-		-		-		-		2,639,366
<b>Total current liabilities</b>		<b>13,937,653</b>		<b>62,808</b>		<b>14,901,441</b>		<b>428,193</b>		<b>0</b>		<b>6,292,496</b>		<b>776,575</b>		<b>36,399,166</b>

**Noncurrent Liabilities:**

Accrued Compensated Absences		4,398,145		0		365,139		0		0		0		0		4,763,284
Long-term debt		0		0		0		0		0		237,350,000		0		237,350,000
Fair value of derivative instruments		0		0		0		0		0		15,288,300		0		15,288,300
Federal Portion of Perkins Program		0		0		0		0		10,796,242		0		0		10,796,242
<b>Total noncurrent liabilities</b>		<b>4,398,145</b>		<b>0</b>		<b>365,139</b>		<b>0</b>		<b>10,796,242</b>		<b>252,638,300</b>		<b>0</b>		<b>268,197,826</b>
<b>Total liabilities</b>		<b>18,335,798</b>		<b>62,808</b>		<b>15,266,580</b>		<b>428,193</b>		<b>10,796,242</b>		<b>258,930,796</b>		<b>776,575</b>		<b>304,596,992</b>

**NET ASSETS:**

Invested in capital assets, net of related debt	\$	0		0		0		0		0		172,244,041		0		172,244,041
Restricted, expendable								3,857,316		1,675,382		0		0		5,532,698
Unrestricted								0		0		14,045,350		0		23,697,074
Designated		0		6,678,093		2,973,631		0		0		0		0		68,345,531
Undesignated		68,345,531		-		-		-		-		-		-		-
<b>Total net assets</b>		<b>68,345,531</b>		<b>6,678,093</b>		<b>2,973,631</b>		<b>3,857,316</b>		<b>1,675,382</b>		<b>186,289,391</b>		<b>0</b>		<b>269,819,344</b>
<b>Total Liabilities and net assets</b>		<b>\$ 86,681,329</b>		<b>\$ 6,740,901</b>		<b>\$ 18,240,211</b>		<b>\$ 4,285,509</b>		<b>\$ 12,471,624</b>		<b>\$ 445,220,187</b>		<b>\$ 776,575</b>		<b>\$ 574,416,336</b>

## As of December 31, 2010

[illegible]