

**BOARD OF REGENTS**  
EASTERN MICHIGAN UNIVERSITY

SECTION: 13

DATE:

April 21, 2009

**RECOMMENDATION**

**OMB CIRCULAR A-133 SUPPLEMENTARY FINANCIAL REPORTS FOR THE  
YEAR ENDED JUNE 30, 2008**

**ACTION REQUESTED**

It is recommended that the Board of Regents receive, approve and place on file the OMB Circular A-133 Supplementary Financial Reports for the Year Ended June 30, 2008.

**STAFF SUMMARY**

The report includes an independent auditors' report on compliance with requirements applicable to the University's Federal Awards programs. The report states that the University complied, in all material respects, with the requirements governing its major Federal Award Programs for the Year Ended June 30, 2008.

Plante & Moran, PLLC, independent public accountants, reported in the Schedule of Findings and Questioned Costs that there were no material weaknesses. Also, there were no Financial Statement audit findings or Federal Program audit findings to report.

**ADMINISTRATIVE RECOMMENDATION**

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

\_\_\_\_\_  
University Executive Officer

\_\_\_\_\_  
Date

# **Eastern Michigan University**

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**Federal Awards  
Supplemental Information  
June 30, 2008**

# Eastern Michigan University

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## Independent Auditor's Report

To the Board of Regents  
Eastern Michigan University

We have audited the basic financial statements of Eastern Michigan University (the "University") for the year ended June 30, 2008 and have issued our report thereon dated September 30, 2008. Those basic financial statements are the responsibility of the management of the University. Our responsibility was to express an opinion on those basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the University taken as a whole. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The information in this schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

September 30, 2008



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Report on Internal Control Over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards*

To the Board of Regents  
Eastern Michigan University

We have audited the financial statements of Eastern Michigan University (the "University") as of and for the year ended June 30, 2008 and have issued our report thereon dated September 30, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the University's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

To the Board of Regents  
Eastern Michigan University

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, the Board of Regents, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

September 30, 2008



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## Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

To the Board of Regents  
Eastern Michigan University

### Compliance

We have audited the compliance of Eastern Michigan University (the "University") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2008. The major federal programs of the University are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the University's management. Our responsibility is to express an opinion on the University's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the University's compliance with those requirements.

In our opinion, the University complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

To the Board of Regents  
Eastern Michigan University

### **Internal Control Over Compliance**

The management of the University is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the University's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, the Board of Regents, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

March 4, 2009

# Eastern Michigan University

## Schedule of Expenditures of Federal Awards Year Ended June 30, 2008

Federal Agency/Pass-through Agency/Program Name	Federal CFDA Number	Federal Award Number	2007-2008 Federal Expenditures
<b>Student Financial Aid Cluster:</b>			
<b>Loan and Loan Guarantee Programs:</b>			
Stafford Loans - Subsidized	84.032	-	\$ 44,182,244
Stafford Loans - Unsubsidized	84.032	-	45,938,765
Parent Loans for Students (PLUS)	84.032	-	10,292,434
Graduate Loans (PLUS)	84.032	-	308,186
Perkins: Loans Issued	84.038	-	1,941,224
<b>Total Loan and Loan Guarantee Programs</b>			<b>102,662,853</b>
<b>US Department of Education:</b>			
USDE: PELL	84.063	P063P041630	14,778,165
USDE: SEOG	84.007	P007A042005	884,978
USDE: Academic Competitiveness	84.375	P375A071630	205,310
USDE: Science and Mathematics Access to Retain Talent	84.376	P376S071630	342,656
USDE: CWS Job Locator	84.033	P033A042005	50,000
USDE: FCWS	84.033	P033A042005	858,331
<b>Total US Department of Education</b>			<b>17,119,440</b>
<b>Total Student Financial Aid Cluster</b>			<b>119,782,293</b>
<b>Research and Development Cluster</b>			
<b>Department of Defense:</b>			
DOD/ONR: Advanced Antifouling Coatings & Materials	12.300	N00014-04-I-0763	420
DOD/UM: Breast Cancer Screening	12.420	W81XWH	(9,042)
DOD/USARL: Advanced Coatings Research	12.910	DAAD190320013	2,504
DOD/USARL: Advanced Coatings Research	12.300	DAAD190320013	16,798
DOD/USATACOM: Advanced Coatings Research	12.910	DAAE0703CL127	1,722
Advance Fouling Release Coatings and Analysis	12.300	ONR BAA #04-001	141,930
Advanced Coating Systems for Aluminum Surfaces	12.800	SUB07S568028CI, FA865005D5807	303,442
Enhancing IA Educational Outreach within the State of Michigan-Annex			
I: Partnership with IRMC of the National Defense Institution	12.902	H98230-07-I-0117	44,297
Enhancing IA Educational Outreach within the State of Michigan-Basic	12.902	H98230-07-I-0212	28,037
<b>Total Department of Defense</b>			<b>530,108</b>
<b>Environmental Protection Agency -</b>			
EPA: Bldng Leadership Capacity for Sustainability	66.951	NE-83327201-0	47,432

# Eastern Michigan University

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2008

Federal Agency/Pass-through Agency/Program Name	Federal CFDA Number	Federal Award Number	2007-2008 Federal Expenditures
<b>Health and Human Services:</b>			
HHS/BFDI: Family Connections Year 2	93.595	-	
EMU Alzheimer's Education and Research Program	93.051	20081434	\$ 59,836
EMU Alzheimer's Education and Research Program	93.051	20070489	28,992
<b>Reducing Health Disparities Through Health Promotion Programs:</b>			
PATH and MCRCS	93.283	#3000685120	259
HHS/MDCH:CAFAS YR9: Services to Children with a Severe Emotional Disturbance	93.958	04B1CMHS-03	3,182
HHS/MDCH Cafas Level of Functioning Yr 10	93.958	05B1CMHS-03	(4,140)
HHS/MDCH:CAFAS YR 8	93.958	20041417	(4,202)
HHS/MDCH Parent Management	93.958	05B1CMHS-03	7,678
HHS/MDCH MI Lvl of Func Yr 12	93.958	07B1MICMHS	44,104
BFDI: Family Connections Year 3	93.652	90CW1127	3,674
BFDI: Family Connections Year 4	93.652	90CW1127	2,096
<b>Total Health and Human Services</b>			<b>141,479</b>
<b>National Institute of Health:</b>			
NIH:H. Influenzae Modulins in COPD Airway Inflammation	93.390	R15HL071526	160
NIH:Invest Common Retro	93.390	R15GM62828A	7,034
NIH: NCIBI EMU Yr1/UM Yr2 2007: Prototyping Strategies for the Elucidation of Genetic Interactions in Complex Disease Etiology (part of UM project, "National Center for Integrative Biomedical Informatics") Year 1	93.279		39,314
NIH: NCIBI EMU Yr2/UM Yr3 2007-2008: Prototyping Strategies for the Elucidation of Genetic Interactions in Complex Disease Etiology (part of UM project, "National Center for Integrative Biomedical Informatics") for 2007-2008	93.279		9,179
FLU-VACS(2006-2007) - Comparative Study of Influenza Vaccines in Adults	93.856	-	5,490
NIH:Signaling Cascades, Allosterity, and the Pyrimidine Pathway	93.859	RFAGM01005	216,315
Comparative Study of Influenza - Second year	93.856	3000821200	64,682
<b>Total National Institute of Health</b>			<b>342,174</b>
<b>National Science Foundation:</b>			
NSF/WSU:E-Meld: Electronic Metastructure for Endangered Languages Data	47.075	-	778
NSF: Acquisitions to Create Organismal Physiology Research Laboratory for Research and Teaching at Eastern Michigan University	47.074	DBI-0420965	2,894
NSF: Dena'ina Online Training and Access	47.078	OPP-0326805	49,895
NSF: NUE-RUI Nanotechnology Curriculum Development	47.049	CHE-0407360	(11,900)
NSF: RUI Maintenance of Stomatal Aperture	47.074	IBN-0343873	17,203
NSF: RUI-p59fyn in XEphA4 Signaling	47.074	MCB-0445273	58,469
NSF: Iraq's Perceptions of the Past, Present, and Future	47.075	SES-0522174	58,680
NSF/DHB: Collaborative Research LL-Map Language	47.075	BCS-0527512	128,870
NSF: Creative Scientific Inquiry Experience	47.076	AWARD 0525514	338,620

# Eastern Michigan University

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2008

Federal Agency/Pass-through Agency/Program Name	Federal CFDA Number	Federal Award Number	2007-2008 Federal Expenditures
National Science Foundation:			
NEH/Wichi: Documentation, Description, and Training	47.075	PD-50002-06	\$ 44,151
NSF: LL-MAP: Language & Location: A Map Annotation Project	47.075	BCS 0731531	38,150
NSF: EMELD: Electronic Metastructure for Endangered Language Data	47.075	BCS-0094934	32,811
		UM SUBCONTRACT	
NSF/UM: Study of Instructional Improvement (SII)	47.076	#3000645297	3,026
WSU: Collaborative Research:DLConnect: Connecting Underserved Teachers and Students with NSDL Learning Resources and Tools	47.076	DUE612936	11,245
Information Geometry with Application to the Measurement and Model Selection	47.049	-	14,291
NSF: Multi-Tree: A Digital Library of Language Relationships	47.075	AWARD 0731530	140,024
NSF: Collaborative Research Multi-Tree: A Digital Library	47.075	PD 98-1311	83,095
NSF: Workshop: Toward the Interoperability of Language Resources	47.075	709680	11,362
NSF: The Impact of Online Professional Development (IOPD)	47.076	3000766291	19,923
NSF: Coatings Made from Enzymatically Processed Polymers - Phase I	47.041	EEC-0540713	3,845
NSF: Implementing the GOLD Community of Practice Laying the Foundations for a Linguistics Cyberinfrastructure	47.075	720,122	1,493
NSF: Preparing Elementary Mathematics Teachers for Success	47.076		(5,612)
NSF: Collaborative Research, DL Connect, Connecting Teachers	47.076	DUE-0435098	90
Total National Science Foundation			<u>1,041,403</u>
National Aeronautics and Space Administration - NASA/MSGC:EMU Affiliate	43.001	-	<u>5,107</u>
Traco - Coatings with Low Emissivity	81.049	DE-FC-04NT42321	<u>179,568</u>
United States Department of Agriculture:			
UM: NFSMI Ensuring Access to CNPs and Improving Program Quality	10.001		24,891
USDA: Physcomitrella Patens As a Teterologous Expression System for Investigating the Functions of Cellulose Synthase-like Gene Products	10.206	USDA	<u>30,985</u>
Total United States Department of Agriculture			<u>55,876</u>
United States Army - Nanomaterials for Biological Defense	12.300	-	<u>185,089</u>

# Eastern Michigan University

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2008

Federal Agency/Pass-through Agency/Program Name	Federal CFDA Number	Federal Award Number	2007-2008 Federal Expenditures
National Oceanic and Atmospheric Administration:			
NOAA: Integrated Assessment of Coastal Brownfield Redevelopment in Michigan: A Spatial Decision Support Systems Approach	11.417	NA05OAR4171045	\$ 92,587
NOAA: Sailing Elementary Teachers Toward Ocean Literacy Using Familiar Water Resources	11.469	NA07SEC4690004	120,291
Total National Oceanic and Atmospheric Administration			212,878
US Department of Education:			
USDE: Multimedia Digital Textbooks for Two Dialects of Tibetan	84.229	-	4,800
USDE: Connecting Students to the Community: EMU GEAR-UP Partnership to Promote College Readiness and Success, Year 1 of 6	84.334	P334A060204	528,475
USDE/MDLEG Michigan Department of Career Development KCP State GEAR-UP Program	84.334	GRANT 06-00-02	47,023
Total US Department of Education			580,298
US Department of Energy -			
USCAR-USAMP, AMD-604 Task 1.4 Corrosion and Surface Finishing Project	81.036	AMD604	33,034
US Department of Justice:			
TEEN SERT: Student Emergency Response Training Program Statewide Implementation	97.068	2005-GT-T5-K015	294,720
USDOJ: EMU Infant Mental Health Evaluation	16.542	2006-JF-FX-0070	104,016
Total US Department of Justice			398,736
US Department of Navy -			
Application of Nanomaterial Technology to Develop Biological Agent Protective Fabric	12.300	W911QY-07-C-0052	268,966
US Department of Interior - Fish and Wildlife Services -			
The Bat Community Along Black Creek, Lenawee County, With Emphasis on the Evening Bat (Ncycticius humeralis)	15.634	751B6200019	37,112
Total Research and Development Cluster			4,059,260

# Eastern Michigan University

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2008

Federal Agency/Pass-through Agency/Program Name	Federal CFDA Number	Federal Award Number	2007-2008 Federal Expenditures
Trio Cluster -			
US Department of Education:			
USDE:Upward Bound 03-08	84.047	P047A030789	\$ (27,522)
USDE:Upward Bound 2006/2011	84.047	P047A071054-08	433,974
Total Trio Cluster			<u>406,452</u>
Other Federal Awards:			
Corporation for National and Community Service:			
Jumpstart Americorps Program	94.006	-	(3,629)
MCSC/CNCS JumpStart Americorp	94.006	# 590100	12,761
CNCS/MCC: EMU and Lutheran Social Services of Michigan Partnership Program: Foster Care Youth Write Their Way to a Promising Future	94.005	06LHHM1001	14,534
CNCS:MCC EMU Proj Impact	94.005	06LHHM1001	2,119
MCC: Building Communities, Building Lives	94.005	06LHHM1001	10,298
MCSC/CNCS JumpStart 07-08 Yr I	94.006	590100	58,400
Total Corporation for National and Community Service			<u>94,483</u>
Corporation for Public Broadcasting:			
WEMU Community Service Grant 06-07	83.544	-	19,862
WEMU Community Service Grant 07-08	83.544	-	140,136
Total Corporation for Public Broadcasting			<u>159,998</u>
Health and Human Services -			
Michigan Family Independence 2006-2008	93.648	FLDSU-07-81101	<u>4,865</u>
National Aeronautics and Space Administration:			
Michigan Space Grant Fellowships 2006-2007 To the Moon and Beyond	43.001		11,500
	43.001		5,950
Total National Aeronautics and Space Administration			<u>17,450</u>
US Department of Agriculture -			
USDA/USM:In-Classroom Breakfast	10.574	USM-GR02612-A10	<u>4,311</u>
US Department of Education:			
USDE/MDE Deca	84.048	6013-2	827
USDE/MDE Fccla	84.048	6013-4	2,025
MDLEG/CPF: Michigan FCCLA 2007-2008	84.048	083430-0813-4	24,499
MDLEG:CTE 2007-2008	84.048	803520-08182	1,398
USDE/MDE Project Success Assisting Students	84.367	060290-611	19,518

# Eastern Michigan University

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2008

Federal Agency/Pass-through Agency/Program Name	Federal CFDA Number	Federal Award Number	2007-2008 Federal Expenditures
US Department of Education (Continued):			
USDE/MDE:CCLC Year 4 (06-07)	84.213	-	\$ 69,453
USDE/NWP: EMU Writing Project 06-07	84.298	-	7,976
USDE/NWP: EMU Writing Project 07-08	84.298	-	44,510
USDE/MDLEG: Michigan BPA 2006-2007	84.048	-	(1,441)
MDLEG/CPF: Michigan BPA 2007-2008	84.048	083430-0813-1	73,181
2006-2007	84.048	-	226
MDE/MDLEG:FCCLA 2006-2007	84.048	-	39,928
CDPF/MDLEG:Michigan Skills USA 2006-2007	84.048	-	5,317
CDPF/MDLEG:Michigan DECA 2006-2007	84.048	-	1,106
USDE/MDE: Linking Teacher Knowledge	84.367	040290-106	70
MDLEG/CPF: Michigan DECA 2007 -2008	84.051	-	88,675
MDLEG/CPF: Michigan SkillsUSA 2007-2008	84.051	-	76,051
USDE: Training Content Area Teachers	84.194	T195N070245	178,227
McNair Postbaccalaureate Achievement Program	84.217	-	112,423
MDE/USDE 21st Century Community Learning Centers 2007-2008	84.287	-	(20,365)
MDE/USDE: CCLC 2007-2008	84.287	82110-D07067	663,876
Total US Department of Education			1,387,480
US Department of Homeland Security -			
USHS:MDSP Teen SERT Training	97.004	-	13,777
US Department of Interior - Fish and Wildlife Services -			
Complete Investigation of Battlefield Boundaries for the River Raisin Battlefield, Monroe, Michigan	15.926	-	4,876
US Department of Justice:			
USDJ:Center for Community Building	16.609	2003DDBX1155	8,036
DOJ:Weed & Seed 22060804	16.595	-	2
DOJ: Strengthening Organizations, Building Capacities	16.609	2003-DD-BX-1155	121,417
Total US Department of Justice			129,455
US Department of Labor - Project Lead The Way	17.261	WIRED	50,556
US Department of State:			
USDS/ACIE:Muskie Graduate Fellowship	19.400	-	(2,724)
USDS/ACIE:Eurasian School Directors Internship Program in Citizenship Education and School Administration	19.401	-	(3,242)
DOS/IREX: Undergrad Fellowship	19.430	FLDSU-06-81001	(5,839)
Total US Department of State			(11,805)
US Small Business Administration:			
USSBA/GVSU: SBTDC Regn 9 2007	59.037	-	263,809
USSBA/GVSU: SBTDC Regn 9 2008	59.037	-	206,587
USSBA/GVSU:SBTDC -2006	59.037	-	(1,080)
Total US Small Business Administration			469,316
US Geological Survey -			
USGS-GIS Components for Forage	15.808	-	(716)
Total Other Federal Awards			2,324,046
Total Federal Expenditures			\$ 126,572,051

# Eastern Michigan University

## Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2008

### Note 1 - Significant Accounting Policies

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the University and is presented on the same basis of accounting as the basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

### Note 2 - Loans Outstanding

The University had the following loan balances outstanding at June 30, 2008. These loan balances are not included in the federal expenditures presented in the schedule. These expenditures were paid from funds available from the repayment of prior loans.

Cluster/Program Title	CFDA Number	Amount Outstanding
Federal Perkins Loan Program	84.038	\$ 11,817,610

### Note 3 - Subrecipient Awards

Of the federal expenditures presented in the schedule, federal awards were provided to subrecipients as follows:

Federal Program Title	CFDA Number	Amount Provided to Subrecipients
DOJ: Strengthening Organizations, Building Capacities	16.609	\$ 31,495
NEH\Wichi: Documentation, Description and Training	47.075	35,571
EPA: Building Leadership Capacity for Sustainability	66.951	13,714
Application of Nanomaterial Technology to Develop Biological Agent Protective Fabric	12.300	42,634
NSF: Iraq's Perceptions of the Past, Present and Future	47.075	25,198
Signaling Cascades, Allosteric and the Pyrimidine Pathway	93.859	106,634
USSBA/GVSU: SBTDC REGION 9 2007	59.037	60,000
Small Business and Technology Development Center, Region 9 Host, 2008	59.037	19,844
NOAA: Sailing Elementary Teachers Toward Ocean Literacy Using Familiar Water Resources	11.469	43,014
Total provided to subrecipients		<u>\$ 378,104</u>

# Eastern Michigan University

## Schedule of Findings and Questioned Costs Year Ended June 30, 2008

### Section I - Summary of Auditor's Results

#### Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?      \_\_\_ Yes     X  No
- Significant deficiency(ies) identified that are not considered to be material weaknesses?      \_\_\_ Yes     X  None reported

Noncompliance material to financial statements noted?      \_\_\_ Yes     X  No

#### Federal Awards

Internal control over major program(s):

- Material weakness(es) identified?      \_\_\_ Yes     X  No
- Significant deficiency(ies) identified that are not considered to be material weaknesses?      \_\_\_ Yes     X  None reported

Type of auditor's report issued on compliance for major program(s): Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?      \_\_\_ Yes     X  No

Identification of major program(s):

CFDA Number(s)	Name of Federal Program or Cluster
84.007, 84.032, 84.033, 84.038, 84.063, 84.375, 84.376	Student Financial Aid Cluster
Various	Research and Development Cluster

Dollar threshold used to distinguish between type A and type B programs: \$717,276

Auditee qualified as low-risk auditee?       X  Yes    \_\_\_ No

# Eastern Michigan University

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## Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2008

### Section II - Financial Statement Audit Findings

Reference Number	Findings
	None

### Section III - Federal Program Audit Findings

Reference Number	Findings
	None

# Eastern Michigan University

## Summary Schedule of Prior Audit Findings Year Ended June 30, 2008

Reference Number	Findings
2007-A	<p><b>Finding Type</b> - Significant deficiency</p> <p><b>Description</b> - The University capitalized expenses related to a capital asset in the current year when some of the actual expenditures occurred in previous fiscal years and were reported as expenses in those fiscal years.</p> <p><b>Status</b> - Corrective action has been taken.</p> <p>All project accounts have been moved into the project module in banner for fiscal year 2008. An attribute has been assigned to each project based on projected budget which will flag those accounts that should be capitalized. Reports have been developed to be run throughout the year to monitor these projects and capitalize appropriately.</p>
2007-I	<p><b>Program Name</b> - Research and Development Cluster - Various CFDA</p> <p><b>Finding Type</b> - Significant deficiency/Noncompliance</p> <p><b>Description</b> - The University did not review any suspension or debarment information for any vendor. The University did not have a process in place to ensure that the certificates were being reviewed for significant purchases, which resulted in the noncompliance.</p> <p><b>Status</b> - Corrective action has been taken.</p> <p>Following the finding notification, management has incorporated this practice into Eastern Michigan University's purchasing policy. The University's purchasing department now reviews the listing for all purchases/contracts greater than or equal to \$25,000.</p>

# Eastern Michigan University

## Summary Schedule of Prior Audit Findings (Continued) Year Ended June 30, 2008

Reference Number	Findings
2007-2	<p><b>Program Name</b> - Research and Development Cluster - Various CFDA</p> <p><b>Finding Type</b> - Significant deficiency/Noncompliance</p> <p><b>Description</b> - The University did not have any specific procedures in place to properly monitor subrecipients. The University did not have any documentation or audit reports to verify that subrecipients had proper controls or had taken appropriate action related to audit findings.</p> <p><b>Status</b> - Corrective action has been taken.</p> <p>The University has developed and put into practice a subrecipient compliance procedures policy.</p>
2007-3	<p><b>Program Name</b> - Research and Development Cluster - Various CFDA</p> <p><b>Finding Type</b> - Significant deficiency/Noncompliance</p> <p><b>Description</b> - The University did not have adequate controls in place to determine if a cost is allowable in a timely manner, resulting in multiple unallowable costs.</p> <p><b>Status</b> - Corrective action has been taken.</p> <p>The grants accounting staff has been thoroughly trained on A21 regulations. In addition, all grant purchasing card statements, along with original receipts, are required and retained by grants accounting on a monthly basis. Any project director in violation of this procedure will get their purchasing card revoked. All purchases made to grants (excluding purchases made with purchasing cards) are pre-approved. Reconciliations are completed monthly and quarterly to ensure grant expenditures are accurate and allowable per University, sponsor, and federal regulations.</p>