

**BOARD OF REGENTS**  
EASTERN MICHIGAN UNIVERSITY

SECTION: 10

DATE:

April 14, 2011

**RECOMMENDATION**

**OMB CIRCULAR A-133 SUPPLEMENTARY FINANCIAL REPORTS FOR THE  
YEAR ENDED JUNE 30, 2010**

**ACTION REQUESTED**

It is recommended that the Board of Regents receive and place on file the OMB Circular A-133 Supplementary Financial Reports for the Year Ended June 30, 2010.

**STAFF SUMMARY**

The report contains the opinion of Plante & Moran, PLLC (EMU independent auditor) 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, 2010.

Plante & Moran reported in the Schedule of Findings and Questioned Costs that there were no internal control material weaknesses or significant deficiencies identified in this Federal Program Audit. Two financial statement-related control findings (bank reconciliations and database access) had been identified by Plante & Moran during their financial statement audit last Fall.

**FISCAL IMPLICATIONS**

None.

**ADMINISTRATIVE RECOMMENDATION**

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

University Executive Officer

Date

4/14/11

# **Eastern Michigan University**

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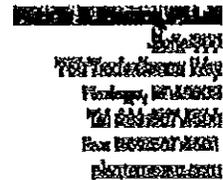
**Federal Awards  
Supplemental Information  
June 30, 2010**

# Eastern Michigan University

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## Contents

Independent Auditor's Report	I
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	2-3
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	4-5
Schedule of Expenditures of Federal Awards	6-12
Notes to Schedule of Expenditures of Federal Awards	13-14
Schedule of Findings and Questioned Costs	15-19



## Independent Auditor's Report

To the Board of Regents  
Eastern Michigan University

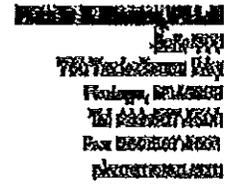
We have audited the basic financial statements of Eastern Michigan University as of and for the year ended June 30, 2010 and have issued our report thereon dated September 27, 2010. Those basic financial statements are the responsibility of the management of Eastern Michigan University. Our responsibility is to express an opinion on these 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 Eastern Michigan 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.

*Robert J. Murray, CPA*

September 27, 2010



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 as of and for the year ended June 30, 2010 and have issued our report thereon dated September 27, 2010. 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 Eastern Michigan 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 entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses; therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness and another deficiency that we consider to be a significant deficiency.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Finding 2010-1 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Finding 2010-2 to be a significant deficiency.



To the Board of Regents  
Eastern Michigan University

**Compliance and Other Matters**

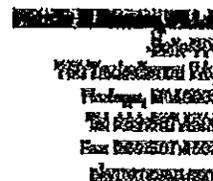
As part of obtaining reasonable assurance about whether Eastern Michigan University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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*.

Eastern Michigan University's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Eastern Michigan University's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the board of regents, others within the entity, 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.

*Alanta L. Mason, CPA*

September 27, 2010



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 with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. The major federal programs of Eastern Michigan 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 Eastern Michigan University's management. Our responsibility is to express an opinion on Eastern Michigan 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 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 Eastern Michigan 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 Eastern Michigan University's compliance with those requirements.

In our opinion, Eastern Michigan University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.



To the Board of Regents  
Eastern Michigan University

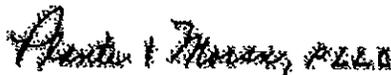
### **Internal Control Over Compliance**

The management of Eastern Michigan University is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Eastern Michigan University's internal control over compliance with 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 management, the board of regents, others within the entity, 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 7, 2011

# Eastern Michigan University

## Schedule of Expenditures of Federal Awards Year Ended June 30, 2010

Federal Agency/Pass-through Agency/Program Title	Federal CFDA Number	Federal Award Number	Federal Expenditures
<b>Student Financial Aid Cluster:</b>			
<b>Loan and Loan Guarantee Programs:</b>			
USDE: Parent Loans for Undergrad Students (PLUS)	84.268	-	\$ 34,663
USDE: Direct PLUS Loans	84.268	-	13,118,231
USDE: Graduate PLUS Loans	84.268	-	44,444
USDE: FFELP Stafford Subsidized Loans	84.032	-	(4,224)
USDE: FFELP Stafford Unsubsidized Loans	84.032	-	(1,863)
USDE: Direct Loan Stafford	84.268	-	130,288,739
USDE: Perkins Loans Outstanding	84.038	-	<u>12,952,460</u>
Total Loan and Loan Guarantee Programs			156,432,450
<b>U.S. Department of Education:</b>			
USDE: PELI	84.063	P063P041630	29,732,455
USDE: SEOG	84.007	P007A042005	924,669
USDE: Academic Competitiveness	84.375	P375A071630	206,491
USDE: Science and Mathematics Access to Retain Talent	84.376	P376S071630	557,675
ARRA: USDE: FWS	84.033	P033A092005	189,211
USDE: CWS Job Locator	84.033	P033A042005	55,766
USDE: FCWS	84.033	P033A042005	789,980
USDE: TEACH	84.379	P379T091630	<u>198,625</u>
Total U.S. Department of Education			<u>32,654,072</u>
Total Student Financial Aid Cluster			189,087,322
<b>Research and Development Cluster:</b>			
<b>Department of Agriculture:</b>			
Development of Novel Bto-based University of Rhode Island: Physcomitrella patens as a heterologous expression system for Investigating the functions of cellulose synthase-like gene products	10.200	C5722P1C5722P1	88,057
	10.206	-	<u>27,374</u>
Total Department of Agriculture			116,231
<b>Department of Commerce:</b>			
NOAA: Coupled Remote Sensing and Biological Monitoring of Invasive Plant Species and Their Impacts on the Detroit River International Wildlife Refuge (CRSBM-DRIWR)	11.417	NA09OAR4170172	255,141
NOAA: Sailing Elementary Teachers Toward Ocean Literacy Using Familiar Water Resources (funding part 1)	11.469	NA07SEC4690004	52,850
NOAA: Integrated Assessment of Coastal Brownfield Redevelopment in Michigan: A Spatial Decision Support Systems Approach	11.417	NA05OAR4171045	<u>64,583</u>
Total Department of Commerce			372,574

# Eastern Michigan University

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Federal Agency/Pass-through Agency/Program Title	Federal CFDA Number	Federal Award Number	Federal Expenditures
<b>Research and Development Cluster (Continued):</b>			
<b>Department of Defense:</b>			
Hybrid Materials for Thermal Management In Thin Films and Bulk Composites	12.800	FA9550-08-1-0431 P0001	\$ 883,810
A Workshop on Theoretical and Methodological Issues in the Study of Values and Values Change in Islamic Countries	12.800	FA8655 10 I 5001	72,040
Advanced Coating Systems for Aluminum Surfaces	12.800	SUB07S568028C1, FA865005D5807	37,870
Advanced Coating Systems for Aluminum Surfaces	12.800	SUB07S568028C1 FA865005D5807	193
Enhancing IA Educational Outreach within the State of Michigan: Annex I Option-Slots for NDU Students	12.902	H98230-09-1-0373	1,750
Application of Nanomaterial Technology to Develop Biological Agent Protective Fabric	12.300	W911QY-07-C-0052	111,488
DOD/ONR:Advanced Antifouling Coatings and Materials	12.300	N00014-04-1-0763	5,075
Advanced Antifouling Coatings and Materials	12.300	N00014-04-1-0763	(2,695)
Advanced Fouling Release Coatings and Analysis	12.300	ONR BAA #04-001	142
Support for the 2009 Smart Coatings Conference	12.300	N00014-09-1-0628	2,887
Development of Biological Agents Destructive and Protective Clothing for Combat Soldiers and Security Personnel, Phase II	12.300	W911QY-08-C-0147	317,100
Cross-National Analysis of Islamic Fundamentalism, Task I, 2009	12.300	N00014-09-1-0985	345,269
Development of Biological Agents Destructive and Protective Fabric for Combat Soldiers and Security Personnel - Phase III	12.300	W911QY-10-C-0044	121,319
Support for Attendees of San Francisco, CA March 21-25 Spring National ACS Meeting Symposium on Coating Technologies	12.300	N00014 10 I 0622	1,815
Support for Attendees of San Francisco, Ca March 21-25 Spring National ACS Meeting Symposium on Coating Technologies	(2.431)	W911NF 10 I 0077	350
<b>Total Department of Defense</b>			<b>1,898,413</b>
Department of Interior - USGS GIS Components for Forage Calculations	15.808	-	44
<b>Department of Justice:</b>			
USDOJ: EMU Infant Mental Health Evaluation	16.542	2006-JF-FX-0070	23,666
ARRA - First Year Center Security Project	16.803	2009-SU-B9-0017	16,769
<b>Total Department of Justice</b>			<b>40,435</b>
<b>National Aeronautics and Space Administration:</b>			
NASA/MSGC:EMU Affiliate	43.001	-	2,272
Plasma Sputtering Experiment	43.001	M.S.G.C. - NASA	731
Mars Rover Mission	43.001	M.S.G.C. - NASA	80
Grassland Ecosystems and Societal Adaptations under Changing Grazing Intensity and Climate on the Mongolian Plateau	43.001	NNX09AK87G	128,553
<b>Total National Aeronautics and Space Administration</b>			<b>131,636</b>

# Eastern Michigan University

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Federal Agency/Pass-through Agency/Program Title	Federal CFDA Number	Federal Award Number	Federal Expenditures
Research and Development Cluster (Continued):			
National Science Foundation:			
NEH/Wich: Documentation, Description, and Training	47.075	PD-50002-06	\$ 9,456
NSF:RUJ Maintenance of Stomatal Aperture	47.074	IBN-0343873	(626)
NSF:RUJ-p59fyn In XEphA4 Signaling	47.074	MCG-0445273	3,983
NSF:Collaborative Research:Multi-Tree:A Digital Library	47.075	BCS 0445714 0715142	(12,092)
NSF: Iraq's Perceptions of the Past , Present and Future	47.075	SES-0522174	7,221
NSF/DHB: Collaborative Research LL-Map Language	47.075	BCS-0527512	79,618
NSF: EMELD: Electronic Metastructure for Endangered Language Data	47.075	BCS-0094934	(2,741)
NSF: Multi-Tree: A Digital Library of Language Relationships	47.075	AWARD ID#0731530	(672)
NSF: LL-MAP: Language & Location: A Map Annotation Project	47.075	BCS 0731531	3,915
Workshop: Toward the Interoperability of Language Resources	47.075	0709680	(789)
NSF:Implementing the GOLD Community of Practice: Laying the Foundations for a Linguistics CyberInfrastructure	47.075	0720122	12,545
NSF: Interop: LEGO	47.075	BCS-0753321	191,488
NSF: "Collaborative Research" ELIIP: Endangered Language Information and Infrastructure Project	47.075	BCS-0924127	37,559
NSF:Creative Scientific Inquiry Experience	47.076	AWARD 0525514	219,151
A Meta-Analysis of the Effectiveness of Small-Group Instruction Compared to Lecture-Based Instruction In Science, Technology, Engineering, and Mathematics (STEM) Collego Courses-Year One	47.076	DRL-0815692	134,021
NSF:UMASS Epistamology and Indexicality in Navajo	47.075	06-003721 C00	520
NSF/UM: Study of Instructional Improvement (SII)	47.076	UM SUBCONTRACT #3000645297	3,292
NSF/UM: The Impact of Online Professional Development (IOPD)	47.076	3000766391	16,338
NSF/WSU:E-Meld:Electronic Metastructure for Endangered Languages Data	47.075	-	3,924
ARRA/NSF: ICE - Integrating Cartographic Elements: Creating Resources Emphasizing Arctic Materials	47.082	ARC-0952335	132,862
ARRA - MRI-R2: Acquisition of a High-Resolution Time-of-Flight Mass Spectrometer for Research and Education	47.082	CHE-0959621	3,539
Mayor's Youth Technology Corps - Creating Safe Communities Through Information Technology Training In Homeland Security Applications	47.076	0737589	399,275
NSF Robert Noyce Scholarship Program	47.076	DUE-0833286	115,006
Total National Science Foundation			1,357,593
Environmental Protection Agency			
Great Lakes Fisheries Commission - Performance of fast-start and burst swim behavior of sea lamprey and non-target fishes in shallow water	66.469	-	2,202
Total Environmental Protection Agency			2,202
Department of Energy:			
Coatings With Low Emissivity	81.049	AWARD DE-FC-04NT42321	(569)
USCAR-USAMP, AMD-604 Task 1.4 Corrosion and Surface Finishing Project	81.036	AMD604	1,296
Total Department of Energy			727

# Eastern Michigan University

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Federal Agency/Pass-through Agency/Program Title	Federal CFDA Number	Federal Award Number	Federal Expenditures
<b>Research and Development Cluster (Continued):</b>			
<b>Department of Education:</b>			
Evaluation for School Based Student Drug Testing Program	84.184	Q184D080048	\$ 275
Observing Census Enumeration of Non-English Speaking Households In the 2010 U.S. Census	84.363	YAI32310SE03	22,851
USDE/WKU:Teacher Quality Year 5	84.336	P336B99001403	3,112
<b>Total Department of Education</b>			<b>26,238</b>
<b>Department of Health and Human Services:</b>			
EMU Alzheimer's Education and Research Program	93.051	20081434	(1,023)
EMU Alzheimer's Education and Research Program, 2008-09	93.051	20090924	10,682
EMU Alzheimer's Education and Research Program, 2009-2010	93.051	20101328	43,709
NIH/MDCH:Building Michigan's Research Capacity Prototyping Strategies for the Elucidation of Genetic Interactions In Complex Disease Etiology (part of UM project, "National Center for Integrative Biomedical Informatics") for 2009-2010 (year5)	93.242	I R24MH068760-01	32
Prototyping Strategies for the Elucidation of Genetic Interactions In Complex Disease Etiology	93.279	3000935743	16,319
NIH:Invest Common Retro	93.279	3000935743	46,717
NIH:Invest Common Retro	93.390	R15GM62828A	(5,403)
HHS/MDCH:Alzheimer's Education Program 2004-05	93.951	-	(5,803)
HHS/MDCH:CAFAS YR 9: Services to Children with a Severe Emotional Disturbance	93.958	04-B1MICMH-03	(2,477)
HHS/MDCH CAFAS Level of Functioning YR 10	93.958	05B1CMHS-03	7,326
HHS/MDCH:Parent Management and Training Evaluation	93.958	05B1CMHS-03	332
HHS: Michigan Level of Functioning Project - Year 12, 2007-2008	93.958	07B1MICMHS	833
Michigan Level of Functioning Project - Year 13, 2008-2009	93.958	08B1MICMHS	18,047
Michigan Level of Functioning Project - Year 14, 2009-2010	93.958	08B1MICMHS	58,319
ARRA - Skill Acquisition In Older Adults	93.701	-	24,954
ARRA/NIH: An Individually Tailored mammography Screening Intervention for Chinese Americans	93.701	1R21CA127825-01A2	68,386
ARRA: Characterization of Genetic Instability at Chromosomal Fragile Sites	93.701	1R15GM093929-01	20,968
Novel Targets In Thrombosis and Atherosclerosis, 2008-2010	93.839	3000998038	64,834
Adherence to HDDM In Urban Youth	93.847	YSU10021	82,335
UM:NIH - Stroke Health and Risk Education	93.853	3001416093	57,658
FLU-VACS (2007 - 2008) - Comparative Study of Influenza Vaccines In Adults	93.856	3000821200	(4)
Signaling Cascades, Allosteric and the Pyrimidine Pathway	93.859	RFAGM01005	74,421
<b>Total Department of Health and Human Services</b>			<b>581,162</b>
<b>Total Research and Development Cluster</b>			<b>4,527,255</b>

# Eastern Michigan University

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Federal Agency/Pass-through Agency/Program Title	Federal CFDA Number	Federal Award Number	Federal Expenditures
<b>Trio Cluster - Department of Education:</b>			
USDE: Upward Bound 2006/2011	84.047	P047A071054-09	\$ 428,290
McNair Postbaccalaureate Achievement Program	84.217	P217A070173-08	254,161
Total Trio Cluster			<u>682,451</u>
<b>Child Nutrition Cluster:</b>			
UMISS: NFSM Concept Paper: POS Nutrition Info In High School	10.553	USM-GR02612-A30	(1,025)
Total Child Nutrition Cluster			<u>(1,025)</u>
<b>Workforce Investment Act Cluster:</b>			
The B Side Workforce Investment Act	17.259	CR # 41558	41,288
YouthBiz Youth Business Entrepreneurship and Leadership Summer Camp	17.259	-	5
Total Workforce Investment Act Cluster			<u>41,291</u>
<b>State Fiscal Stabilization Fund Cluster:</b>			
ARRA - Michigan Department of Education - Education Stabilization Fund - Support for Financial Aid	84.394	70004	2,037,279
Total State Fiscal Stabilization Fund Cluster			<u>2,037,279</u>
Total Clusters			<u>196,374,573</u>
<b>Other Federal Awards:</b>			
<b>Department of Agriculture</b>			
Michigan Department of Natural Resources Regional Urban Tree Canopy Assessment and Implementation	10.664	UFG 10-03	1,685
NSF:VISIT Virtual Immersion In Scientific Inquiry for Teachers 556491	10.350	556491	(18)
USDE/MDE:Eisenhower - Focus On Assessment In CLIMB	10.566	020290-223	5,361
Total Department of Agriculture			<u>7,028</u>
Department of Commerce - DOC:WebPolis Consortium	11.552	-	6,797
Department of the Interior - Proposal to Complete Investigation of Battlefield Boundaries for the River Raisin Battlefield, Monroe, Michigan	15.926	-	251
<b>Department of Justice</b>			
Comprehensive Wrap-Around Social Services for High-Risk Teen Parents and Their Families	16.541	2008-JL-FX-0079	291,711
Comprehensive Wrap-Around Social Services for High-Risk Teen Parents and Their Families, Part 2	16.541	2009-JL-FX-0230	51,504
Total Department of Justice			<u>343,215</u>
<b>Department of Labor:</b>			
Project Lead the Way	17.261	WIRED	271,009
Workforce Investment: Providing Higher Education for the Displaced Worker	17.261	EA-18567-09-60-A-26	124,333
Total Department of Labor			<u>395,342</u>
<b>National Aeronautics and Space Administration:</b>			
NASA/MSGC:Light Pollution: Our Vanishing Night, renewal	43.001	M.S.G.C. NASA	3,000
Michigan Space Grant Fellowships, 2006-2007	43.001	M.S.G.C. - NASA	17,000
Space Rocks! A New Interdisciplinary Course	43.001	M.S.G.C. - NASA	(980)
Total National Aeronautics and Space Administration			<u>19,020</u>

See Notes to Schedule of Expenditures of  
Federal Awards.

# Eastern Michigan University

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Federal Agency/Pass-through Agency/Program Title	Federal CFDA Number	Federal Award Number	Federal Expenditures
<b>Other Federal Awards (Continued):</b>			
National Endowment for the Humanities			
Lincoln: The Constitution and the Civil War	45.164	LL-50065-09	\$ 2,539
Relish: Rendering Endangered Languages Lexicons Interoperable Through Standards Harmonization	45.169	HG-50010-09	<u>12,342</u>
Total National Endowment for the Humanities			14,881
National Science Foundation			
Student Support for 3L International Summer School in Language Documentation and Description	47.075	BCS-0935834	14,386
NSF: Information Geometry With Application to the Measurement and Model Selection	47.049	DMS-0631541	<u>14,327</u>
Total National Science Foundation			28,713
Small Business Administration:			
Small Business and Technology Development Center, Region 9 Host, 2009	59.037	9-603001-Z-0023-09	283,618
USSBA/GYSU:SBDTC -2006	59.037	-	853
USSBA/GYSU:SBTDC REGION 9 2007	59.037	-	4,006
Small Business and Technology Development Center, Region 9 Host, 2010	59.037	0-603001Z-0023-10	<u>213,779</u>
Total Small Business Administration			502,256
Environmental Protection Agency			
Server Hosting and RAPIDS Maintenance/Upgrade (Stage 1)	66.034	EPA	78,953
EPA/MDEQ:Stony Creek Watershed Plan	66.606	-	<u>382</u>
Total Environmental Protection Agency			79,335
Department of Education:			
Foster Care Services for Early on Toddlers: Voices from the Trenches	84.101A	-	7,281
MDE/MDLEG: Michigan BPA 2008-2009	84.048	093430-90131	7,429
Michigan Skills USA-Competitive Renewal (One year project period with two renewal years)	84.048	103430-10136	70,522
Michigan DECA-Competitive Renewal (One year with two additional renewal years)	84.048	103430	85,532
MDLEG/CPF: Michigan FCCLA 2007-2008	84.048	083430-0913-4	(130)
MDLEG/CPF: Michigan Skills USA 2008-2009	84.048	093430-90136	(1,113)
USDE/MELEG: Michigan FCCLA 2008-2007	84.048	0934430-90134	(2,025)
Michigan Family, Career & Community Leaders of America (FCCLA) - Competitive Renewal (Y3 of 3)	84.048	103430-10134	49,861
Michigan Business Professionals Professionals of American (BPA) - Competitive Renewal (Y3 of 3)	84.051	103430-10131	67,771
Minority Teacher preparation Program: DREAMS	84.116	P116Z090282	115,105
A Community-Based Model for Emergency Management	84.184	Q184T090004	120,758

# Eastern Michigan University

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Federal Agency/Pass-through Agency/Program Title	Federal CFDA Number	Federal Award Number	Federal Expenditures
Other Federal Awards (Continued):			
Department of Education (Continued):			
Training Content Area Teachers to Teach English	84.194	TI95N070245	\$ 246,942
MDE/USDE: 21st Century Community Learning Centers 2007-2008	84.287	82110-D07067	3
MDE/USDE: 21st Century Community Learning Centers 2008-2009	84.287	D07067	8,645
21st Century Community Learning Centers - Brighter Futures Year 3	84.287	D07067-COHORT D	749,650
21st Century Community Learning Centers, Bright Futures at Middle and High Schools (Cohort F)	84.287	F09025-COHORT F	749,850
Charter School Planning and Implementation Grant	84.282	090610-12	11,307
U.S. Department of Education - Connecting Students to the Community: EMU GEAR-UP Partnership to Promote College Readiness and Success, Year 1 of 6	84.334	P334A060204 84.334A	715,434
RTI International - GEAR UP Evaluation Planning Grant	84.334	0209234.002.013-34	20,720
Eastern Michigan University Writing Project 2008-2009	84.928	84.928A AMEND#18 92-M101	(1,145)
Eastern Michigan University Writing Project - 2009-2010	84.928	CNTRCT 92-M101	36,464
Eastern Michigan University Writing Project - 2010-2011	84.928	AMEND 20 90-M101	1,009
Total Department of Education			3,059,950
Department of Health and Human Services			
BFDI: Family Connections Year 5	93.652	90CWI127	(1,055)
BFDI: Family Connections Year 3	93.652	90CWI127	(356)
BFDI: Family Connections Year 4	93.652	90CWI127	3,607
Michigan Family Independence Agency Field Supervision - 2006-2008	93.648	FLDSU-07-81101	(37)
ARRA: Nurse Faculty Loan Program	93.408	1 EOAHP15348-01-00	32,042
EMU School of Nursing Graduate Traineeship	93.358	A10HP12799-01-00	24,998
ARRA: Capacity Building of Nonprofit Organizations Servicing Distressed Communities in Wayne and Eastern Washtenaw Counties Michigan	93.711	90SI0009/01	74,000
Total Department of Health and Human Services			133,199
Corporation for National and Community Service:			
JumpStart AmeriCorps Program-Y2 Renewal of 3 Year Project	94.006	590100	4,370
EMU-Parkridge: Collaborative for Youth Empowerment 2009 Year 2	94.005	06LHHM1001	17,304
MCC: Yr. 2 Foster Care Youth	94.005	06LHHM1001	(40)
Eastern Michigan University and Lutheran Social Services of Michigan Partnership Program: Foster Care Youth Write Their Way to a Promising Future - Year 3	94.005	-	11,438
Eastern Michigan University and Lutheran Social Services of Michigan Partnership Program: Foster Care Youth Write Their Way to a Promising Future - Year 4	94.005	06LHHM1001	17,044
Building Communities, Building Lives 2008-2009	94.005	06LHHM1001 MCC: CPY06-07	9,978
Building Communities, Building Lives 2009-2010	94.005	06LHHM1001	34,060
EMU-Ozone House: Collaborative for Youth Empowerment 2010 - Year 3	94.005	CPY07-02, FEDERAL # 06LHHM1001	14,429
USCNCSC/MCSC: IMPACT: Inspiring Mentors, Parents, and Children Together	94.006	MACF-10-81299	99,420
Total Corporation for National and Community Service			208,003
Department of Homeland Security: TEEN CERT: Student Citizen Response Train-the-Trainers Program	97.005	2005-GT-T5-K015	133,742
Total other federal awards			4,931,732
Total federal expenditures			\$ 201,306,305

See Notes to Schedule of Expenditures of Federal Awards.

# Eastern Michigan University

## Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2010

### Note 1 - Significant Accounting Policies

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Eastern Michigan University under programs of the federal government for the year ended June 30, 2010. Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements, although the basis for determining when federal awards are expended is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. In addition, expenditures reported on the Schedule are recognized following the cost principles contained in OMB Circular A-21, *Cost Principles for Educational Institutions*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Because the Schedule presents only a selected portion of the operations of Eastern Michigan University, it is not intended to and does not present the financial position, changes in net assets, or cash flows, if applicable, of Eastern Michigan University.

### Note 2 - Federal Loan Programs

During the fiscal year ended June 30, 2010, the University issued new loans to students under the William D. Ford Federal Direct Loan Program (FDLP). The loan program includes subsidized and unsubsidized Stafford Loans, Parents' Loans for Undergraduate Students (PLUS), and PLUS loans for graduate and professional students. The value of loans issued for the FDLP is based on, disbursed amounts. The undergraduate PLUS loans are applied first to the student's tuition and fees, and any remaining balance is disbursed directly to parents or, with the parents' permission, to the student.

In addition, the University participates in the Federal Perkins Loan Program through the Department of Education. This loan program is directly administered by the University and is considered a revolving loan program where collections received on past loans, including interest, and new funds received from federal agencies are loaned out to current students. The outstanding balance on these loans is disclosed in the schedule of expenditures of federal awards. The loans issued through this program during the year ended June 30, 2010 amounted to \$1,665,758.

# Eastern Michigan University

## Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2010

### 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
USDE: Training Content Area Teachers to Teach English	84.194	\$ 14,000
USCHCS/MCSC: IMPACT 09-10	94.006	34,763
NIH: Signaling Cascades, Allosteric and the Pyrimidine Pathway	93.859	3,415
U.S. Army: Cross National Analysis of Islam	12.300	74,617
USSBA/GVSU: Small Business and Technology Development Center, Region 9 Host, 2009	59.037	20,000
NSF: Stem year I	47.076	29,950
NSF: INTEROP LEGO	47.075	38,943
Total provided to subrecipients		<u>\$ 215,688</u>

# Eastern Michigan University

## Schedule of Findings and Questioned Costs Year Ended June 30, 2010

### 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  No
- Significant deficiency(ies) identified that are not considered to be material weaknesses?  Yes  None reported

Noncompliance material to financial statements noted?  Yes  No

#### Federal Awards

Internal control over major program(s):

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weaknesses?  Yes  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  No

# Eastern Michigan University

## Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2010

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

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.007, 84.032, 84.033, 84.038, 84.063, 84.268, 84.375, 84.376	Student Financial Aid Cluster
Various	Research and Development Cluster
84.047, 84.217	Trio Cluster
84.287	21st Century Community Learning Center
84.334	GEAR-UP Program
84.394	State Fiscal Stabilization Fund Cluster
59.037	Small Business and Technology Development Center
17.261	Workforce Investment: Project Lead the Way and Education and Training Administration

Dollar threshold used to distinguish between type A and type B programs: \$366,569

Auditee qualified as low risk auditee?  Yes  No

# Eastern Michigan University

## Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2010

### Section II - Financial Statement Audit Findings

Reference Number	Findings
2010-1	<p><b>Finding Type - Material weakness</b></p> <p><b>Criteria</b> - University policy is to reconcile bank accounts each month. Outstanding and reconciling items are to be reviewed as part of the reconciliation process each month. In addition, individuals responsible for reconciling bank accounts should not have access to make journal entries in the general ledger.</p> <p><b>Condition</b> - The University did not follow up and investigate outstanding and reconciling items on a bank reconciliation. The individual that was responsible for reconciling this account also had access to make journal entries in the general ledger.</p> <p><b>Context</b> - Incident was noted for one of the University's bank accounts</p> <p><b>Cause</b> - The accountant responsible for this reconciliation had various unsupported reconciling items, making the reconciliation appear to be reconciled. The general accounting and reporting manager reviews the bank reconciliation after the accountant prepares it; however, the reconciling items had not been questioned until it was noticed that they were not coming off of the reconciliation monthly.</p> <p><b>Effect</b> - Material adjusting entries were made at the end of the year to reconcile this account.</p> <p><b>Recommendation</b> - We recommend that all of the bank accounts be reconciled monthly to the general ledger and that all significant reconciling items be promptly investigated and adjusted with adequate explanations. In addition, an employee with bank reconciliation responsibilities should not have the ability to make journal entries. This provides an ineffective system of cash control because it permits the possibility of unauthorized transactions due to the lack of an adequate segregation of duties. Removing this access should significantly improve the system of checks and balances necessary for strong cash control.</p>

# Eastern Michigan University

## Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2010

### Section II - Financial Statement Audit Findings (Continued)

Reference Number	Findings
2010-1 (Continued)	<b>Views of Responsible Officials and Planned Corrective Actions -</b> Management has taken the necessary steps to get this issue resolved and the accountant's access to make journal entries in the financial system has been terminated.
Reference Number	Findings
2010-2	<b>Finding Type - Significant deficiency</b>  <b>Criteria -</b> The security department is responsible for access control for system production with limited update access to production to monitor security flow system.  <b>Condition -</b> University database administrators have full administrative access and the ability to modify data within the system.  <b>Context -</b> General IT control environment  <b>Cause -</b> University database administrators have full administrative access and the ability to modify data within the system.  <b>Effect -</b> An environment is created in which the security department could post transactions by manipulating access and control and granting additional access.  <b>Recommendation -</b> We recommend the implementation of the application log review software. Additionally, an independent individual without administrative access should review the application logs and ensure that any transactions posted by administrators are appropriately authorized. The person performing the review should document who performed the review, the date, time, and scope of the review, any issues noted, and resolutions of those issues.

# Eastern Michigan University

## Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2010

### Section II - Financial Statement Audit Findings (Continued)

Reference Number	Findings
2010-2 (Continued)	<b>Views of Responsible Officials and Planned Corrective Actions</b> - IT is currently reviewing application log review systems from Application Security Inc. and Oracle Corporation. Part of the evaluation process will be to determine what impact, if any, there will be on transaction processing throughout when logging is invoked. The results of the product evaluation process will be reviewed with the president's cabinet, along with a recommended implementation schedule. Separately, a non-IT individual will need to be identified to review the audit logs for compliance.

### Section III - Federal Program Audit Findings

None