

Eastern Michigan University

**Federal Awards
Supplemental Information
June 30, 2015**

Independent Auditor's Reports:

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Report on Schedule of Expenditures of Federal Awards
Required by OMB Circular A-133

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") and its discretely presented component unit as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon dated October 21, 2015 which contained an unmodified opinion on the basic financial statements. Our audit was conducted for the purpose of forming opinions on the financial statement that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to October 21, 2015.

The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Plante & Moran, PLLC

Kalamazoo, Michigan
December 23, 2015

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*

Independent Auditor's Report

To Management and the Board of Regents
Eastern Michigan University

We have audited, 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, the basic financial statements of Eastern Michigan University (the "University") and its discretely presented component unit as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated October 21, 2015. The financial statements of Eastern Michigan University Foundation were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Eastern Michigan University's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

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 University's financial statements will not be prevented, or detected and corrected, on a timely basis. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To Management and 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 from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

Kalamazoo, Michigan
October 21, 2015

Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance
Independent Auditor's Report

To the Board of Regents
Eastern Michigan University

Report on Compliance for Each Major Federal Program

We have audited Eastern Michigan University's compliance 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, 2015. Eastern Michigan University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Eastern Michigan University's major federal programs based on our audit of the types of compliance requirements referred to above.

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 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Eastern Michigan University's compliance.

To the Board of Regents
Eastern Michigan University

Opinion on Each Major Federal Program

In our opinion, Eastern Michigan University complied, in all material respects, with the types of 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, 2015.

Report on Internal Control Over Compliance

Management of Eastern Michigan University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Eastern Michigan University's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 University'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 a 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. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as Finding 2015-001, that we consider to be a significant deficiency.

Eastern Michigan University's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Eastern Michigan University's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

To the Board of Regents
Eastern Michigan University

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Plante & Morse, PLLC

Kalamazoo, Michigan
December 23, 2015

Eastern Michigan University

Schedule of Expenditures of Federal Awards Year Ended June 30, 2015

Federal Agency/Pass-through Agency/Program Title	Direct or Pass through	Federal CFDA Number	Federal Award Number	Federal Expenditures
Clusters:				
Student Financial Aid Cluster:				
Loan and Loan Guarantee Programs:				
USDE: Perkins Loans Issued and Outstanding	Direct	84.038		\$ 8,427,471
USDE: Direct PLUS Loans	Direct	84.268	P268K111630	14,629,175
USDE: Direct Loan Stafford	Direct	84.268	P268K111630	<u>121,124,843</u>
Total Loan and Loan Guarantee Programs				144,181,489
U.S. Department of Education:				
USDE: Supplemental Education Opportunity Grant	Direct	84.007	P007A132005	916,500
USDE: College Work Study	Direct	84.033	P033A142005	884,698
USDE: CWS Job Locator	Direct	84.033	P033A142005	45,974
USDE: PELL Grants	Direct	84.063	P063P131630	32,808,663
USDE: TEACH - Teacher Education Assistance for College and Higher Education Grant Program	Direct	84.379	P379T141630	<u>72,743</u>
Total U.S. Department of Education and Loan and Loan Guarantee Programs				178,910,067
U.S. Department of Health and Human Services:				
ARRA USHHS: Nurse Faculty Loan Program - Loans issued and outstanding	Direct	93.408	IEOAPH1548-01-00	40,495
USHHS: Nurse Faculty Loan Program - Loans issued and outstanding	Direct	93.264	E01HP25866	<u>244,180</u>
Total U.S. Department of Health and Human Services				<u>284,675</u>
Total Student Financial Aid Cluster				179,194,742
Research and Development Cluster:				
Department of Agriculture:				
Soy Based Functional Building Blocks for Sustainable Advanced Coatings	Direct	10.200	2013-38202-20398	120,908
USDA/Univ. of S.MS: Exploring Innovative Marketing Strategies and Delivery Models Used in Effective Summer Food Service Programs	Passthrough	10.587	USM-GR05074-04	<u>151</u>
Total Department of Agriculture				121,059
Department of Defense:				
ONR Cross-National Analysis of Islamic Fundamentalism - Task I Utilizing Probability Distribution Functions and Ensembles to Forecast Ionospheric and Thermospheric Space Weather - Year 1 of 3	Direct	12.300	N00014-09-1-0985	148,112
DoD Information Assurance Scholarship Program for 2013-2014 Academic Year: Annex II Capacity	Passthrough	12.800	SUB 3002294751	16,322
	Direct	12.902	H98230-13-1-0444	<u>37,256</u>
Total Department of Defense				201,690
Department of the Interior Fish and Wildlife Service -				
Mudpuppy (Necturus maculosus) Assessment and Habitat Restoration Along the Huron-Erie Corridor: Conservation of the Obligate Host for the Endangered Salamander Mussel (Simponaia ambigua)	Passthrough	15.662	PRIME:F14AP00887 SUB:001	4,940
Department of the Interior National Park Service -				
Roosting Ecology of the Northern Long-eared Bat on the Manistee National Forest	Direct	15.994	AG-54A4-P-14-0033	11,323

Eastern Michigan University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2015

Federal Agency/Pass-through Agency/Program Title	Direct or Passthrough	Federal CFDA Number	Federal Award Number	Federal Expenditures
Clusters (Continued):				
Research and Development Cluster (Continued):				
National Science Foundation:				
Coatings made from enzymatically processed polymers - Phase I	Passthrough	47.041	EEC-0540713	\$ (8,602)
Gulliver Innovative Learning: A Platform for managing Kinesthetic Activities	Direct	47.041	1533741	15,359
TWC: TTP Option Small: Collaborative: Integrated Smart Grid Analytics for Anomaly Detection	Direct	47.049	CNS-1421879	57,512
NSF: Collaborative Research: Macrophytes Across the Proterozoic - Phanerozoic Boundary: A Baseline Study of Macroalgae during a Critical Interval in Earth System History	Direct	47.050	EAR-1250756	17,551
RUI: SG: A Model System in a Model Reigon- Identification of Evolutionary Process Driving Plant Diversification on Madagascar in Metistohibiscus (Malvaceae)	Passthrough	47.074	1457589	170
NSF: Collaborative Research: Automatically Annotated Repository of Video and Audio Resources Community	Direct	47.075	BCS-1244713	5,255
NSF: MultiTree: Completing the Library of Language Relationships	Direct	47.075	BCS-1227106	(8,044)
NSF: Collaborative Research ELIIP: Endangered Languages Catalog	Direct	47.075	BCS-1057725	21,522
NSF: 19th Lexical-Functional Grammar Conference	Direct	47.075	BCS-1362098	10,930
NSF: Collaborative Research: GIS Resources and Applications for Career Education (GRACE)	Direct	47.076	DRL-1433712	205,201
Robert Noyce Scholarship Program	Direct	47.076	DUE-0833286	25,688
NSF: The Physics Scholars Program at Eastern Michigan University	Direct	47.076	DUE-0966106	14,800
NSF: Creative Scientific Inquiry Experience	Direct	47.076	AWARD 0525514	(46,091)
Total National Science Foundation				311,251
Environmental Protection Agency -				
F&W S&U SGS/GLF: Refinement of a New Trapping Tool for Migrating Adult Sea	Passthrough	66.469	GLFC-EMU-REINHARD	35,285
Department of Education:				
Global Michigan: Expanding Access to East Asian Languages and Cultures	Passthrough	84.016	P016A140043	38,429
Thinking Like an Artist in Core Curriculum Subjects - Year 1	Passthrough	84.351	U351D140054	173,837
2014-2015 SEED: Teacher Leadership Development Grant Budget	Passthrough	84.367	NO.6A 92-MI01-SEED2012	10,584
NWP: SEED #2: Professional Development in a High-Need School	Passthrough	84.367	NO.4 92-MI01-SEED2012	(2,963)
Total Department of Education				219,887
Department of Health and Human Services:				
CDC/WSU: Strengthening Supports for Health Relationships: A Gender-Sensitive - Mixed Methods Analysis of Protective Factors for Intimate Partner Violence - Year 1 of 3	Passthrough	93.136	WSU13030	(2,592)
CDC/WSU: Strengthening Supports for Health Relationships: A Gender-Sensitive - Mixed Methods Analysis of Protective Factors for Intimate Partner Violence - Year 2 of 3	Passthrough	93.136	WSU14027	21,935
CDC/WSU: Strengthening Supports for Health Relationships: A Gender-Sensitive - Mixed Methods Analysis of Protective Factors for Intimate Partner Violence - Year 3 of 3	Passthrough	93.136	PO # PO694994	82,229
NIH: Parent Focused Obesity Intervention for Low-African American Preschoolers	Direct	93.847	1R03DK097444-01	236,389
NIH: Causes and Consequences of Genomic Instability at Fragile Sites	Direct	93.859	R15GM107841-01	129,687
Alzheimer's Education and Research Program, 2010-2011	Passthrough	93.958	MICOM	820
Alzheimer's Education and Research Program, 2014-15	Passthrough	93.958	I4B1MICMHS	51,761
HHS/MDCH: Alzheimer's Education and Research Program, 2013-2014	Passthrough	93.958	I3B1MICMHS/20141342	12,046
Total Department of Health and Human Services				532,275
Total Research and Development Cluster				1,437,710

Eastern Michigan University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2015

Federal Agency/Pass-through Agency/Program Title	Direct or Passthrough	Federal CFDA Number	Federal Award Number	Federal Expenditures
Clusters (Continued):				
Trio Cluster - Department of Education:				
Upward Bound 2006 2011	Direct	84.047	P047A071054-09	\$ 176
Upward Bound - Competitive Renewal 2012-2013	Direct	84.047	P047A121310	367,510
Eastern Michigan University Ronald McNair Program	Direct	84.217	P217A120065	<u>173,532</u>
Total Trio Cluster				541,218
Workforce Investment Act Cluster - Department of Labor - The Business Side of Youth	Passthrough	17.277	B-SIDE MOD #1 - MAR-JUNE 2014	<u>4,488</u>
Total Clusters				181,178,158
Other federal awards:				
Department of Agriculture - Summer Food Program	Passthrough	10.559	130900 & 131900	4,631
Department of Commerce - Environmental Service - Learning Project - NOAA Environmental Literacy Program	Passthrough	11.008	NOAA GR#NA12SEC0080007	27,236
Department of Defense - Information Assurance Scholarship Program for 2012-2013 Academic Year: ANNEX 11 CAPACITY	Direct	12.902	H98230-12-1-0428	2,161
Department of Housing and Urban Development - Connecting Hamilton Crossing: Developing Family Self-sufficiency Education Programs for Subsidized Housing Residents	Passthrough	14.704	CCPM10057-11	941
Department of the Interior - Roosting Ecology of the Northern Long-eared Bat at Sleeping Bear Dunes National Lakeshore	Direct	15.944	PI4AC01364	7,074
Department of Justice - Comprehensive Wrap-Around Social Services for High-Risk Teen Parents and Their Families	Direct	16.541	2008-JL-FX-0079	120
National Aeronautics and Space Administration To Mars and Beyond: STEM Workshops to Build STEM Interest and Commitment Among Middle School Girls and Their Parents/Guardians	Passthrough	43.001	M.S.G.C.-NASA	3,255
Michigan Space Grant Fellowships - 2006-2007 Understanding the Time Dependent Response of the Martian Upper Atmosphere to Solar Flares and Dust Storms - Year 1 of 3 (2012-2013)	Passthrough Direct	43.001 43.001	M.S.G.C.-NASA NNX12AJ49G	5,000 <u>123,671</u>
Total National Aeronautics and Space Administration				131,926
Small Business Development Centers: USSBA/GVSU: SBTDC Region 9 Host 2015 USSBA/GVSU: 2014 SBTDC Region	Passthrough Passthrough	59.037 59.037	PRE-AWARD SBAHQ-14-B-0024	212,057 <u>261,792</u>
Total Small Business Development Clusters				473,849

Eastern Michigan University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2015

Federal Agency/Pass-through Agency/Program Title	Direct or Passthrough	Federal CFDA Number	Federal Award Number	Federal Expenditures
Other federal awards (Continued):				
Department of Education:				
Strengthening the STEM Curriculum at Eastern Michigan University by Institutionalizing the CSIE Program	Direct	84.031	P031A140166	\$ 67,749
MDE: Fccla	Passthrough	84.048	6013-4	(29)
Michigan Skills USA-Competitive Renewal (One year project period with two renewal years)	Passthrough	84.048	103430-10136	(798)
Michigan Skills USA - Competitive Renewal	Passthrough	84.048	143430-14136	(551)
MDE: Michigan Skills USA 2014-2015- Continuation	Passthrough	84.048	153430-15136	84,827
MDE: 2014-2015 Michigan DECA-Continuation	Passthrough	84.048	153430-15132	89,074
Michigan Business Professionals of America (BPA) - Competitive Renewal - (Y3 of 3)	Passthrough	84.051	103430-10131	478
Michigan Business Professionals of America (BPA) - Competitive Renewal	Passthrough	84.051	14CTE04-14CTE05	(3,503)
Michigan Family, Career & Community Leaders of America (FCCLA) - Renewal Total - Michigan DECA - Competitive Renewal	Passthrough	84.051	14CTE02	(26,661)
CDPF/MDE: 2014-15 MI FCCLA Family, Career & Community - Continuation	Passthrough	84.051	143430-14132	(19,805)
Perkins/MDE: Michigan Business Professionals of America (BPA) - Continuation	Passthrough	84.051	153430-15134	55,331
A Community-Based Model for Emergency Management	Direct	84.184	Q184T090004	(6,858)
Training Content Area Teachers to Teach English	Direct	84.194	T195N070245	(2,316)
Charter School Planning and Implementation Grant	Passthrough	84.282	090610-12	(242)
21st Century Community Learning Centers, Bright Futures at Middle and High Schools - Year 5 (Cohort F)	Passthrough	84.287	COHORT F	4,339
21st Century Community Learning Centers - Bright Futures - Year 1 (Cohort G-1)	Passthrough	84.287	132110 - G12021	273
21st Century Community Learning Centers - Bright Futures - Year 1 (Cohort G-1, MDE project # G12021)	Passthrough	84.287	G12021	(24,561)
21st Century Community Learning Centers - Bright Futures - Year 2 (Cohort G-2)	Passthrough	84.287	G12022	(34,303)
21st Century Community Learning Centers - Bright Futures - Year 4 (Cohort G-1)	Passthrough	84.287	152110-G12021	311
21st Century Community Learning Centers - Bright Futures - Year 3 (Cohort G-1, MDE project # G12021)	Passthrough	84.287	152110-G12021	703,407
21st Century Community Learning Centers - Bright Futures - Year 4 (Cohort G-2, MDE project #G12022)	Passthrough	84.287	152110-G12022	280
21st Century Community Learning Centers - Bright Futures - Year 3 (Cohort G-2, MDE project #G12022)	Passthrough	84.287	152110-G12022	705,809
21st Century Community Learning Centers - Bright Futures - Year 2 (Cohort I-One)	Passthrough	84.287	152110-114007	280
21st Century Community Learning Centers - Bright Futures - Year 1 (Cohort I-1)	Passthrough	84.287	152110-114007	695,693
21st Century Community Learning Centers - Bright Futures - Year 2 (Cohort I-Two)	Passthrough	84.287	152110-114013	368
21st Century Community Learning Centers - Bright Futures - Year 1 (Cohort I-2)	Passthrough	84.287	152110-114013	669,330
Michigan Department of Career Development KCP State GEAR-UP Program 2011-2-17	Passthrough	84.334	13-00-02	17,566
Michigan Department of Career Development KCP State GEAR-UP Program 2014-2015	Passthrough	84.334	14-00-02	64,525
Underground Railroad and Cultural Program: The Cooperative Underground Railroad Education Project (CUREP)	Passthrough	84.345	P345A095005	1,104
MDE:Teachers Learning Together in Detroit II: Deepening and Sustaining Professional Development Experiences	Passthrough	84.363	050290/602	50
MDE: Project Success: Assisting Students	Passthrough	84.367	060290-611	(4)
Exploring Writing Outside Your Comfort Zone: Writing in Unfamiliar Genres with You and Your Students	Direct	84.367	92-M101-SEED2012 Amendment 3	1,574
MDE: Wayne County U.S. History & Geography Project: Building Competence in U.S. History Through the Use of Geographic Information Systems	Passthrough	84.367	130290-023	69,243
Our Place in Space	Direct	84.367	M.S.G.C.-NASA	5,000
Student Transcript and Academic Record Repository (STARR) Data Exchange Process	Passthrough	84.372	ALSO CFDA 84.384A 071 W2205028	2,773
Building Communities, Building Lives 2008-2009	Passthrough	94.005	06LHHM1001	(32)
Total Department of Education				3,198,299

Eastern Michigan University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2015

Federal Agency/Pass-through Agency/Program Title	Direct or Passthrough	Federal CFDA Number	Federal Award Number	Federal Expenditures
Other federal awards (Continued):				
Department of Health and Human Services:				
SAFE Now: Stigma and Fear End Now	Direct	93.243	I U79SM061802-01	\$ 30,657
EMU School of Social Work MSW Behavioral Health Fellowship Program	Direct	93.243	G02HP27933	191,971
Tri-State navigator Partnership Initiative (TNPI)	Passthrough	93.332	I NAVCA140190-01-00	102,914
Building Assets, Building Futures: An Asset for Independence Project for Participants in a Family	Direct	93.602	90EI0830-01-01	920
Independent Living Skills Coach for Training Eligible Foster Care Youth	Passthrough	93.674	YIT-13-81001	<u>94,138</u>
Total Department of Health and Human Services				420,600
Department of Homeland Security:				
TEEN CERT: Student Citizen Response Train-the-Trainers Program	Direct	97.005	2005-GT-T5-K015	(4,914)
Texas Citizens Corp Program-CERT (Community Emergency Response Team)	Passthrough	97.005	CERT TRAINING	(3,970)
Cyber Discovery: Professional Development for High School Teachers through Student-Catalyst Teams- Implementation	Passthrough	97.127	NICERC 13-0211	<u>43,971</u>
Total Department of Homeland Security				<u>35,087</u>
Total other federal awards				<u>4,301,924</u>
Total federal expenditures				<u>\$ 185,480,082</u>

Eastern Michigan University

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2015

Note 1 - Basis of Presentation

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, 2015. The information in this Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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 of Eastern Michigan University.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-21, *Cost Principles for 21*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

Eastern Michigan University

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2015

Note 3 - Subrecipient Awards

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

<u>Federal Program Title</u>	<u>CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Parent Focused Obesity Intervention for Low-African American Preschoolers	93.847	\$ 16,841
Parent Focused Obesity Intervention for Low-African American Preschoolers	93.847	46,161
Cross-National Analysis of Islamic Fundamentalism - Task I, 2009	12.300	63,360
Collaborative Project: GIS Resources and Applications for Career Education (GRACE)	47.076	33,957
Collaborative Project: GIS Resources and Applications for Career Education (GRACE)	47.076	5,614
USDE/MDE: Wayne County U.S. History & Geography Project: Building Competence in U.S. History Through the Use of Geographic Information Systems	84.367	8,005
Understanding the Time Dependent Response of the Martian Upper Atmosphere to Solar Flares and Dust Storms - Year 1 of 3 (2012-2013)	43.001	87,711
USSBA/GVSU: Small Business and Technology Development Center - Region 9 Host 2014	59.037	19,856
USSBA/GVSU:SBTDC Region 9 Host 2015	59.037	10,095
	Total	<u>\$ 291,600</u>

Note 4 - Loans Outstanding

During the fiscal year ended June 30, 2015, 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 students' tuition and fees and any remaining balance is disbursed directly to parents or, with the parents' permission, to the student.

Eastern Michigan University

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2015

Note 4 - Loans Outstanding (Continued)

In addition, the University participates in the Federal Perkins Loan Program through the Department of Education and the Nurse Faculty Loan Program through the Department of Health and Human Services. These loan programs are directly administered by the University and are considered revolving-loan programs whereby 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 the Federal Perkins Loan Program during the year ended June 30, 2015 amounted to \$705,026. There were no loans issued through the Nurse Faculty Loan Program (ARRA) and \$101,740 issued through the Nurse Faculty Loan Program (non-ARRA) during the year ended June 30, 2015.

Eastern Michigan University

Schedule of Findings and Questioned Costs Year Ended June 30, 2015

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

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 programs:

- 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 programs: Unmodified

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

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.007, 84.033, 84.038, 84.063, 84.268, 84.379, 93.264, and 93.408	Student Financial Aid Cluster
Various	Research and Development Cluster

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes No

Section II - Financial Statement Audit Findings

None

Eastern Michigan University

Schedule of Findings and Questioned Costs Year Ended June 30, 2015

Section III - Federal Program Audit Findings

Reference Number	Finding
2015-001	<p>Program Name - Research and Development Cluster - Department of Defense #12.300, National Science Foundation #47.076, and Department of Health and Human Services #93.847</p> <p>Pass-through Entity - N/A</p> <p>Finding Type - Significant Deficiency</p> <p>Criteria - A pass-through entity is required to monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes in compliance with federal statutes regulations and the terms and conditions of the subaward. This includes monitoring the subrecipients use of the federal awards through reporting, site visits, or other means to provide reasonable assurance that the subrecipient administers federal awards in compliance with laws and regulations. This includes ensuring that subrecipients expending \$500,000 or more in federal awards have met the audit requirements of OMB Circular A-133. (2 CFR 200.331)</p> <p>Condition - There were reviews of the allowable costs performed. However, other required monitoring activities were not performed.</p> <p>Questioned Costs - None</p> <p>Context - For two of the research and development grants with subrecipients that were tested, the required monitoring activities were not fully completed. There were reviews to determine that the subrecipients' cost activity was allowable. However, other activities, including compliance with OMB Circular A-133, were not performed.</p> <p>Cause and Effect - The University has not met the requirements of subrecipient monitoring. The requirements include not just receiving audit reports but ensuring that the grants are in compliance with laws and regulations, following up on findings, and requiring possible additional monitoring and reporting by subrecipients. Not completing this process could result in unallowable costs or noncompliance with laws and regulations occurring and not being caught in a timely manner.</p>

Eastern Michigan University

Schedule of Findings and Questioned Costs Year Ended June 30, 2015

Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding
2015-001 (Cont.)	<p>Recommendation - We recommend the University implement internal controls to ensure the University is obtaining and reviewing subrecipients A-133 audit reports and review for findings. If necessary, a management decision should be documented related to the University's decision whether to impose sanctions on the subrecipient.</p> <p>Views of Responsible Officials and Planned Corrective Actions - The University concurs with this finding of the audit and is implementing new procedures in order to monitor the University's subrecipients.</p> <p>On an annual basis, subsequent to grant issuance, the grants accounting department will send a request to their subrecipients requesting a copy of their A-133 report. If no report is received, the grants accounting department will attempt to obtain the report online or by following up with the institution or organization. Once the report is obtained, the report will be reviewed for findings. All significant findings will be followed up on, and if necessary a management decision will be made as to whether the University will continue to work with the subrecipient.</p>