

Eastern Michigan University

**Federal Awards
Supplemental Information
June 30, 2017**

Independent Auditor's Reports:

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Report on Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance

Independent Auditor's Report

To the Board of Regents
Eastern Michigan University

We have audited the financial statements of Eastern Michigan University (the "University") and its discretely presented component unit as of and for the year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon dated October 20, 2017 which contained an unmodified opinion on the basic financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to October 20, 2017.

The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by the Uniform Guidance 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

February 7, 2018

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 the 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, 2017 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 20, 2017. 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 20, 2017

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 (the "University") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Those standards and the Uniform Guidance 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, 2017.

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 the Uniform Guidance, 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 certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as Findings 2017-001 and 2017-002, that we consider to be significant deficiencies.

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

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Plante & Moran, PLLC

Kalamazoo, Michigan
February 7, 2018

Eastern Michigan University

Schedule of Expenditures of Federal Awards Year Ended June 30, 2017

Federal Agency/Pass-through Agency/Program Title	Direct or Pass-through	Federal CFDA Number	Federal Award Number	Total Amount Provided to Subrecipients	Federal Expenditures
Clusters:					
Student Financial Aid Cluster:					
U.S. Department of Education:					
Supplemental Education Opportunity Grants	Direct	84.007	P007A142017	\$ -	\$ 864,498
Work-Study Program	Direct	84.033	P033A142005	-	1,024,635
CWS Job Locator	Direct	84.033	P033A142005	-	50,187
Pell Grant Program	Direct	84.063	P063P161630	-	29,165,876
TEACH - Teacher Education Assistance for College and Higher Education Grant Program FY17	Direct	84.379	P379T141630	-	32,620
Total U.S. Department of Education				-	31,137,816
U.S. Department of Health and Human Services:					
ARRA USHHS: Nurse Faculty Loan Program - Loan balance at beginning of year plus loans issued	Direct	93.408	IEOAPH1548-01-00	-	38,461
USHHS: Nurse Faculty Loan Program - Loan balance at beginning of year plus loans issued	Direct	93.264	E01HP25866	-	478,333
Total U.S. Department of Health and Human Services				-	516,794
U.S. Department of Education Loan and Loan Guarantee Programs:					
Perkins Loans - Loan balance at beginning of year plus loans issued	Direct	84.038		-	9,170,703
Direct PLUS Loans	Direct	84.268	P268K111630	-	21,991,830
Direct Loan Stafford	Direct	84.268	P268K111630	-	104,208,741
Total U.S. Department of Education Loan and Loan Guarantee Programs				-	135,371,274
Total Student Financial Aid Cluster				-	167,025,884
Research and Development Cluster:					
U.S. Department of Agriculture -					
Soy Based Functional Building Blocks for Sustainable Advanced Coatings	Direct	10.200	13-38202-20398	-	80,223
U.S. Department of Defense -					
Non-Isocyanate Polyurethane Platform for Sustainable and Advanced Rain Erosion Resistant Coatings	Pass-through	12.RD	W912HQ-16-C-0040	-	57,912
U.S. Department of the Interior:					
Fish and Wildlife Service - Herpetological Resource Management, LLC - Management, LLC - Mudpuppy (Necturus maulosus) Assessment and Habitat Restoration Along the Huron-Erie Corridor: Conservation of the Obligate Host for the Endangered Salamander Mussel (Simponaias ambigua)	Pass-through	15.662	RIME:F14AP00887 SUB: 001	-	10,375
National Park Service - The Bat Community at Pictured Rocks National Lakeshore, with an Emphasis on the Northern Long-eared Bat	Direct	15.944	P16AC00224	-	71,457
Total U.S. Department of the Interior				-	81,832

Eastern Michigan University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2017

Federal Agency/Pass-through Agency/Program Title	Direct or Pass-through	Federal CFDA Number	Federal Award Number	Total Amount Provided to Subrecipients	Federal Expenditures
Clusters (continued):					
Research and Development Cluster (continued):					
National Science Foundation:					
TTP Option Small: Collaborative: Integrated Smart Gris Analytics for Anomaly Detection	Direct	47.049	CNS-1421879	\$ -	\$ 65,294
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	-	8,208
RUI: SG: A Model System in a Model Region - Identification of Evolutionary Process Driving Plant Diversification on Madagascar in <i>Metistohibiscus</i> (Malvaceae)	Direct	47.074	1457589	-	8,536
RUI: Scaffold or Assembly Line: How Does Atg11 Organize its Binding Partners for the Initiation of Selective Autophagy	Direct	47.074	MCB 1613653	-	51,371
Collaborative Research: Algal Photosynthetic Priming and Photolysis as Stimulators of Ecosystem-Level Detrital Processing by Microbial Heterotrophs	Direct	47.074	1456978	-	11,268
Collaborative Research: RAPID: Linking Population and Community Ecology in Restored Communities: Interactions Between Species Diversity and Genetic Diversity	Direct	47.074	1548001	-	21,728
NSF/MSU: Social Capital and Mentoring: Building a Diverse Workforce for Earth Systems Science in the 21st Century	Pass-through	47.076	RC105254EMU	-	22,704
Creative Scientific Inquiry Experience	Pass-through	47.076	AWARD 0525514	-	(16,287)
Enhancing Statistics Teacher Education with E-Modules	Pass-through	47.076	2016-1771-02	-	35,909
Collaborative Project: GIS Resources and Applications for Career Education (GRACE)	Direct	47.076	DRL-1433712	33,215	358,109
Total National Science Foundation				33,215	566,840
Environmental Protection Agency:					
Great Lakes Fishery Commission - F&W S&U SGS/GLFC: Refinement of a New Trapping Tool for Migrating Adult Lamprey	Pass-through	66.469	2013_REI_54039	-	3,139
EPA Undergraduate Fellowship - Brett Zeuner	Direct	66.513	MA-91775701-0	-	24,496
Total Environmental Protection Agency				-	27,635
Institute of Museum and Library Services - National Leadership Grants					
Engaging Children and Families in Authentic STEM Activities: A Cross-sector Partnership to Promote Equity in Informal Science Education	Pass-through	45.312	S GRANT MG-10-15-0071	-	899
U.S. Department of Education:					
Global Michigan: Expanding Access to East Asian Languages and Cultures	Direct	84.016	P016A140043	-	33,763
School District of the City of River Rouge - Thinking Like an Artist in Core Curriculum Subjects	Pass-through	84.351	U351D140054	-	434,799
Wayne County U.S. History and Geography Project - 2014 - 2015 SEED: Teacher Leadership Development Grant Budget	Pass-through	84.367	NO.6A 92-MI01-SEED2012	-	764
National Writing Project - 2015-2016 SEED: Teacher Leadership Development Grant Budget	Pass-through	84.367	NO.6B 92-MI01-SEED2012	-	111
Total U.S. Department of Education				-	469,437

Eastern Michigan University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2017

Federal Agency/Pass-through Agency/Program Title	Direct or Pass-through	Federal CFDA Number	Federal Award Number	Total Amount Provided to Subrecipients	Federal Expenditures
Clusters (continued):					
Research and Development Cluster (continued):					
U.S. Department of Health and Human Services:					
Wayne State University - Strengthening Supports for Healthy Relationships: A Gender-Sensitive - Mixed Methods Analysis of Protective Factors for Intimate Partner Violence - Year 3 of 3	Pass-through	93.136	PO694994	\$ -	\$ 695
Midwest Asian Health Association - Cooperative Agreement to Support Navigators in Federally-facilitated and State Partnership Marketplaces Year 2	Pass-through	93.332	I NAVCA140190-01-00	-	80,550
Midwest Asian Health Association - Cooperative Agreement to Support Navigators in Federally-facilitated and State Partnership	Pass-through	93.332	I NAVCA140190	11,429	14,565
National Institutes of Health - Parent Focused Obesity Intervention for Low - African American Preschoolers	Direct	93.847	1R03DK097444-01	6,286	96,494
National Institutes of Health - Causes and Consequences of Genomic Instability at Fragile Sites	Direct	93.859	R15GM107841-01	-	49,116
Michigan Department of Community Health - EMU Alzheimer's Education and Research Program, 2017	Pass-through	93.958	PROJECT# 20304	-	52,334
Michigan Department of Community Health - EMU Alzheimer's Education and Research Program, 2015-16	Pass-through	93.958	20161199-00	-	6,937
Total U.S. Department of Health and Human Services				17,715	300,691
National Aeronautics and Space Administration:					
NASA/UM - Understanding the Effects of Solar Flares on the Upper Atmosphere of Mars and Venus	Pass-through	43.001	NNX16AJ54G	-	24,611
NASA/MSGC - Magnetospheric Ion Temperature Derived from TWINS ENA - Data Upgrade	Direct	43.001	NNX17AF05G	-	307
NASA/MSGC - New Frontiers	Pass-through	43.008	PO 3003976098	-	4,168
NASA/MSGC - Stormtime Plasmopause Locations Derived from IMAGE IMAGE EUV	Direct	43.001	NNX17AC87G	-	23,088
NASA/MSGC - EMU Affiliate	Pass-through	43.001	NE - OPERATING SUPP	-	8,020
Michigan Space Grant Consortium - Understanding the Time Dependent Response of the Martian Upper Atmosphere to Solar Flares	Direct	43.001	NNX12AJ49G	-	(10,731)
Total National Aeronautics and Space Administration				-	49,463
Total Research and Development Cluster				50,930	1,634,932
Highway Planning and Construction Cluster:					
U.S. Department of Transportation - Graduate Internship for the Michigan Department of Transportation	Pass-through	20.205	CONTRACT NO. 2017-047	-	1,884
U.S. Department of Transportation - Graduate Internship for the Michigan Department of Transportation	Pass-through	20.205	CONTRACT NO. 2016-009	-	8,652
Total Highway Planning and Construction Cluster				-	10,536
Child Nutrition Cluster - Department of Agriculture					
Summer Food Service Program for EMU Upward Bound Summer Academy	Pass-through	10.559	2016 UB SUMMER FOOD	-	4,426
Trio Cluster - U.S. Department of Education:					
Upward Bound - Competitive Renewal 2012 - 2013	Direct	84.047	P047A121310	-	358,534
Upward Bound - Competitive Renewal 2017 - 2022	Direct	84.047	P047A170374	-	61,090
Eastern Michigan University SSS TRIO for Regular Students	Direct	84.042	P04A151353	-	232,705
Eastern Michigan University SSS TRIO for Veterans	Direct	84.042	P042A151548	-	160,386
Eastern Michigan University Ronald McNair Program	Direct	84.217	P217A120065	-	265,430
Total Trio Cluster				-	1,078,145
Total Clusters				50,930	169,753,923

See Notes to Schedule of Expenditures of Federal Awards.

Eastern Michigan University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2017

Federal Agency/Pass-through Agency/Program Title	Direct or Pass-through	Federal CFDA Number	Federal Award Number	Total Amount Provided to Subrecipients	Federal Expenditures
Other federal awards:					
U.S. Department of Agriculture -					
Michigan Department of Education - FY 2017 Child & Adult Care Food Program	Pass-through	10.558	FY 17 CHILD & ADULT FOOD PROGRAM	\$ -	\$ 29,091
U.S. Department of Commerce -					
Great Lakes Literacy in Action: Connecting Students to their Watersheds in SE Michigan Through Place-Based Education	Direct	11.429	NA16NOS4290193	-	16,937
National Aeronautics and Space Administration -					
NASA/MSGC - Geospace Connections	Pass-through	43.008	PO 3004457041	-	5,699
Small Business Development Centers:					
Grand Valley State University-USSBA/GVSU:SBTDC Region 9 Host 2016	Pass-through	59.037	DC-2015-08(SBAHQ-15B-0051)	16,722	234,693
Grand Valley State University-Small Business Development Center, Region 9 Host, 2017	Pass-through	59.037	MISBDC-2017-08	10,028	218,935
Total Small Business Development Centers				26,750	453,628
U.S. Department of Education:					
Strengthening the STEM Curriculum at Eastern Michigan University by Institutionalizing the CSIE Program	Direct	84.031	P031A140166-16	-	261,171
Michigan Department of Education - Michigan Family, Career and Community Leaders of America (FCCLA) - Continuation - 2016-2017	Pass-through	84.048	163430-17134	-	53,194
Michigan Department of Education - Michigan Family, Career and Community Leaders of America (FCCLA) - Continuation - 2015-2016	Pass-through	84.048	163430-16134	-	280
Michigan Department of Education - Michigan Skills USA 2016-17 - Continuation	Pass-through	84.048	163430-17136	-	74,755
Michigan Department of Education - Michigan Skills USA 2015-16 - Continuation	Pass-through	84.048	163430-16136	-	(1,557)
Michigan Department of Education - 2016-2017 Michigan DECA - Continuation	Pass-through	84.048	16430-17131	-	75,493
Michigan Department of Education - 2015-2016 Michigan DECA - Continuation	Pass-through	84.048	163430-16132	-	(1,600)
Michigan Department of Education - Michigan Business Professionals of America	Pass-through	84.051	163430-17131	-	74,532
Michigan Department of Education - Michigan Department of Education - Michigan Business Professionals of America (BPA) Continuation 2015-16	Pass-through	84.051	163430-16131	-	(908)
Michigan Department of Education - 21st Century Community Learning Centers - Bright Futures - Year 5 (Cohort G-1)	Pass-through	84.287	162110-G12021	-	645,149
Michigan Department of Education - 21st Century Community Learning Centers - Bright Futures, Year 4 (Cohort G-1)	Pass-through	84.287	152110-G12021	-	9,128
Michigan Department of Education - 21st Century Community Learning Centers - Bright Futures Year 5 (Cohort G-2)	Pass-through	84.287	152110-G12022	-	671,391
Michigan Department of Education-21st Century Community Learning Centers - Bright Futures Year 4 (Cohort G-2, MDE project #G12022)	Pass-through	84.287	152110-G12022	-	(2,119)
Michigan Department of Education - 21st Century Community Learning Centers - Bright Futures Year 3 (Cohort I-1)	Pass-through	84.287	152110-I14007	-	652,083
Michigan Department of Education - 21st Century Community Learning Centers - Bright Futures Year 2 (Cohort I-one)	Pass-through	84.287	152110-I14007	-	5,693
Michigan Department of Education - 21st Century Community Learning Centers - Bright Futures Year 2 (Cohort I-two)	Pass-through	84.287	152110-I14013	-	10,482
Michigan Department of Education - 21st CCLC Cohort I-two Year 3 2016-2017 Bright Futures	Pass-through	84.287	152110-I14013	-	640,496
Michigan Department of Education - 21st CCLC Cohort I-two Year 4 2017-2018 Bright Futures	Pass-through	84.287	PRE-AWARD	-	208

Eastern Michigan University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2017

Federal Agency/Pass-through Agency/Program Title	Direct or Pass-through	Federal CFDA Number	Federal Award Number	Total Amount Provided to Subrecipients	Federal Expenditures
Other federal awards (continued):					
U.S. Department of Education (continued):					
Michigan Department of Labor - Labor and Economic Growth - Michigan Department of Career Development KCP State GEAR-UP Program 2016-2017	Pass-through	84.334	16-00-02	\$ -	\$ 41,081
Michigan Department of Labor - Labor and Economic Growth - MDLEG KCP GearUp 2015-2016	Pass-through	84.334	15-00-02	-	79,582
VISTA Support Award 2015-16	Pass-through	84.334	15-00-02	-	276
Writing Research Intervention in Teaching English Language Learners	Direct	84.365	T365Z160111	-	128,119
Wayne County U.S. History and Geography Project - Building competence in U.S. History Through the Use of Geographic Information Systems	Pass-through	84.367	150290-015	56,707	95,694
National Writing Project - NWP Advanced Institute to scale up the College Ready Writers Program	Direct	84.367	92-M101-SEED-2016	-	11,805
National Writing Project - I3 Scale Up - Expanding the College-Ready Writers Program	Direct	84.367	92-M101-2017I3AI	-	1,005
National Writing Project - SEED Advanced Leadership Institute	Direct	84.367	92-M101-SEED2016-ILI	-	14,512
Total U.S. Department of Education				56,707	3,539,945
U.S. Department of Health and Human Services:					
SAFE Now: Stigma and Fear End Now	Direct	93.243	1U79SM061802-01	-	73,076
EMU School of Social Work MSW Behavioral Health Fellowship Program	Direct	93.243	G02HP27933	-	330,316
A Culturally-Sensitive Linguistically-Appropriate Intervention for Outreach and Increase CRD Screening	Pass-through	93.283	E20172834-00	-	7,095
State of Michigan-Independent Living Skills Coach for Training Eligible Foster Care Youth	Pass-through	93.674	YIT-13-81001	-	93,936
Community Mental Health Partnership of Southeast Michigan - Medicaid/CMHPSM: Communities That Care	Pass-through	93.959	1516A-AWARD SIGNED I	-	23,327
Community Mental Health Partnership of Southeast Michigan - Medicaid/CMHPSM: Communities That Care (YR2)	Pass-through	93.959	CONTRACT#2614	-	36,979
Building Assets, Building Futures: An Assets for Independence Project for Participants in a Family Empowerment Program in Ypsilanti, MI	Direct	93.602	90EI0830-01-01	-	2,422
Total U.S. Department of Health and Human Services				-	567,151
U.S. Department of Defense -					
Information Assurance High School Cyber-Security Competition	Direct	12.901	H98230-12-1-0175	-	5,000
U.S. Department of Homeland Security - Cyber Innovation Center -					
Cyber Discovery: Professional Development for High School Teachers through Student - Catalyst Teams - Implementation	Pass-through	97.127	NICERC 13-0211	-	91,886
U.S. Department of the Interior - National Parks Service -					
Wheeling National Heritage Area - North Wheeling Antebellum Townhouse Survey	Pass-through	15.904	HECK 017631, 8WHENA	-	500
National Endowment for the Humanities:					
Enduring Questions Course on Artistic & Scientific Discovery	Direct	45.163	AQ-248263-16	-	22,423
Lincoln: The Constitution and the Civil War	Direct	45.164	LL-50065-09	-	118
Total National Endowment for the Humanities				-	22,541
Environmental Protection Agency - Great Lakes Fisheries Trust -					
The Southeast Michigan Stewardship - Coalition, GLFT Continuation 4, SEMIS 2015-2017	Pass-through	66.951	2015-1578	-	99,107
Total other federal awards				83,457	4,831,485
Total federal expenditures				\$ 134,387	\$ 174,585,408

See Notes to Schedule of Expenditures of Federal Awards.

Eastern Michigan University

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2017

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, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). 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 position, 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 Educational Institutions*, 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.

The University has elected not to use the 10 percent *de minimus* indirect cost rate to recover indirect costs as allowed under the Uniform Guidance since the University has an approved indirect cost rate through its cognizant agency.

Note 3 - Loans Balances

During the fiscal year ended June 30, 2017, 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, 2017

Note 3 - Loans Balances (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. For both of these programs, the beginning of year balance and loans made during the year are disclosed in the schedule of expenditures of federal awards. The balance of loans outstanding for the Federal Perkins Loan Program as of June 30, 2017 amounted to \$7,220,800. The balance of the loans outstanding for the Nurse Faculty Loan Program (ARRA) and the Nurse Faculty Loan Program (non-ARRA) was \$30,172 and \$376,823, respectively, as of June 30, 2017.

Eastern Michigan University

Schedule of Findings and Questioned Costs Year Ended June 30, 2017

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 2 CFR 200.516 (a)? 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
84.047, 84.042, 84.217	TRIO Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

Section II - Financial Statement Audit Findings

None

Eastern Michigan University

Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2017

Section III - Federal Program Audit Findings

Reference Number	Finding
2017-001	<p>CFDA Number, Federal Agency, and Program Name - Student Financial Aid Cluster - Department of Education - Federal Pell Grants CFDA 84.063, Federal Direct Loans CFDA 84.268, Perkins CFDA 84.038</p> <p>Federal Award Identification Number and Year - N/A</p> <p>Pass-through Entity - N/A</p> <p>Finding Type - Significant deficiency</p> <p>Repeat Finding - Yes</p>
2016-001	<p>Criteria - Changes in a student's status are required to be reported to the National Student Loan Data System (NSLDS) or the guaranty agency within 30 days of the change or included in a student status confirmation report sent to NSLDS within 60 days of the status change (Pell, 34 CFR section 690.83(b)(2); Direct Loan, 34 CFR section 685.309).</p> <p>Condition - The University did not report the proper effective date in a timely manner for 2 of the 40 students selected for testing for student status changes. For 9 of the 40 students selected for testing, the status change was not communicated to the NSLDS. Of the nine students that were not reported to the NSLDS, one was for an unofficial withdrawal while the other eight were for students who graduated during the year.</p> <p>Questioned Costs - None</p> <p>Identification of How Questioned Costs Were Computed - N/A</p> <p>Context - Of the 40 students selected for testing, 11 students did not have the proper status change reported in a timely manner to NSLDS, three for withdrawal and eight for graduated status.</p>

Eastern Michigan University

Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2017

Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding
2017-001 (Con't)	<p>Cause and Effect - The University's processes in place did not identify all student status changes within the required timeframe. For eight of the students who did not have their status change reported in a timely manner, the University did not have a procedure in place to identify when a graduation date is not accepted by its third-party service provider. For three of the students who did not have their status change reported in a timely manner, the University did not have a procedure in place to ensure that the last known date of attendance for unofficial withdrawals is communicated to its third-party servicer in a timely and accurate manner. In all cases, the University properly updated the students' records on the NSLDS; however, the communication was not timely. The University is responsible to ensure the proper reporting.</p> <p>Recommendation - The University should implement controls to ensure student status changes are reported accurately and within the required timeframe.</p> <p>Views of Responsible Officials and Planned Corrective Actions - When a student stops attending prior to the term of graduation, their status on NSLDS is not automatically updated from withdrawn to graduated. To ensure that NSLDS is reflecting the correct enrollment status, the Office of Records and Registration has created a report to identify students who have degrees conferred within a semester of nonenrollment. The Office of Financial Aid will review the report and update NSLDS with the correct status.</p> <p>To ensure accurate enrollment reporting for total and/or unofficial withdrawals, the Office of Financial Aid created a policy to identify students who have completed a total withdrawal during the semester or an unofficial withdrawal determined receiving all Fs at the completion of a semester. The new policy allows for a process of identifying students whose enrollment status needs to be updated and provides the steps to manually update such status in the National Student Loan Data System (NSLDS). This process will be completed on a weekly basis to ensure compliance with enrollment reporting deadlines.</p>

Eastern Michigan University

Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2017

Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding
2017-002	<p>CFDA Number, Federal Agency, and Program Name - Student Financial Aid Cluster - Department of Education - Federal Pell Grants CFDA 84.063</p> <p>Federal Award Identification Number and Year - N/A</p> <p>Pass-through Entity - N/A</p> <p>Finding Type - Significant deficiency</p> <p>Repeat Finding - No</p> <p>Criteria - An institution must establish a reasonable academic progress policy for determining whether an otherwise eligible student is making satisfactory academic progress in his or her educational program and may receive assistance under the title IV program. To be considered reasonable, this policy must specify the pace at which a student must progress through the program to ensure that the student will complete the program within the maximum timeframe of 150 percent of the published credit hours needed to complete the program.</p> <p>Condition - The University awarded Pell funds to a student who exceeded 150 percent of the published credit hours of the program for the summer semester.</p> <p>Questioned Costs - \$1,067</p> <p>Identification of How Questioned Costs Were Computed - The questioned costs are the total aid disbursed to the student in the semester the student exceeded 150 percent of the published credit hours for the student's program.</p> <p>Context - Of the 25 students selected for testing, one student exceeded 150 percent of the published credit hours needed to complete the program.</p> <p>Cause and Effect - The University's process in place is set up to identify students who meet or exceed 150 percent of published credits hours needed to complete their program prior to the start of a semester. The process does not limit a student from receiving aid in a semester where the student will exceed 150 percent of the published credit hours. The student identified as having received aid in the semester exceeding 150 percent of published credit hours was one credit short of reaching 150 percent prior to the start of the semester and subsequently received aid. The University is required to determine a student is ineligible when it becomes mathematically impossible for the student to complete the program within 150 percent of its length.</p>

Eastern Michigan University

Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2017

Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding
2017-002 (Cont)	<p>Recommendation - The University should implement controls to ensure students are deemed ineligible when it becomes mathematically impossible for them to complete their program within 150 percent of the published credit hours.</p> <p>Views of Responsible Officials and Planned Corrective Actions - Current policy cancels aid eligibility at the end of the term in which a student exceeds or reaches 150 percent of the published credit hours of the program. After review, the Office of Financial Aid has revised its current policy to warn students who have attempted 156 credit hours that they have a final semester of eligibility and inform them of their right to appeal. Cancellation follows a warning semester regardless of the number of credits attempted if the student does not have an approved appeal on file.</p>