

BOARD OF REGENTS
EASTERN MICHIGAN UNIVERSITY

SECTION: 21
DATE: April 17, 2012

RECOMMENDATION

**OMB CIRCULAR A-133 SUPPLEMENTARY FINANCIAL REPORTS FOR THE
YEAR ENDED JUNE 30, 2011**

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, 2011.

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, 2011.

Plante & Moran reported that there were no internal control material weaknesses or significant deficiencies identified in this Federal Program Audit. One financial statement-related control finding (incorrect depreciation of library subscriptions) had been identified by Plante & Moran during their financial statement audit last Fall and has subsequently been corrected.

FISCAL IMPLICATIONS

None.

ADMINISTRATIVE RECOMMENDATION

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

University Executive Officer

Date _____

Eastern Michigan University

**Federal Awards
Supplemental Information
June 30, 2011**

Eastern Michigan University

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Independent Auditor's Report

To the Board of Regents
Eastern Michigan University

We have audited the basic financial statements of Eastern Michigan University (the "University") as of and for the year ended June 30, 2011 and have issued our report thereon dated October 3, 2011. Those basic financial statements are the responsibility of the management of Eastern Michigan University. Our responsibility is to express an opinion on those basic financial statements based on our audit.

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

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of 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.

October 3, 2011

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 the Board of Regents
Eastern Michigan University

We have audited the financial statements of Eastern Michigan University (the "University") as of and for the year ended June 30, 2011 and have issued our report thereon dated October 3, 2011. 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 University's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over financial reporting.

A 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as Finding 2011-1, that we consider to be a significant deficiency in internal control over financial reporting. 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.

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 University, 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.

October 3, 2011

Report on Compliance with Requirements That Could Have a
Direct and Material Effect on Each Major Program and on
Internal Control Over Compliance in Accordance with OMB Circular A-133

Independent Auditor's Report

To the Board of Regents
Eastern Michigan University

Compliance

We have audited the compliance of Eastern Michigan University (the "University") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. 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 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. 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, 2011.

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 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.

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 University, 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, 2012

Eastern Michigan University

Schedule of Expenditures of Federal Awards Year Ended June 30, 2011

Federal Agency/Pass-through Agency/Program Title	Federal CFDA Number	Federal Award Number	Federal Expenditures
Student Financial Aid Cluster:			
Loan and Loan Guarantee Programs:			
USDE: Perkins Loans Issued and Outstanding	84.038		\$ 12,485,756
USDE: Direct PLUS Loans	84.268	P268K111630	13,719,133
USDE: Direct Loan Stafford	84.268	P268K111630	135,836,924
ARRA -USDE: Nurse Faculty Loan Program - Loans Issued and Outstanding	93.408	I EOAHP15348-01-00	45,111
Total Loan and Loan Guarantee Programs			162,086,924
U.S. Department of Education:			
USDE: Supplemental Education Opportunity Grant	84.007	P007A042005	700,736
USDE: College Work Study	84.033	P033A042005	1,028,851
USDE: CWS Job Locator	84.033	P033A042005	27,241
USDE: PELL Grants	84.063	P063P041630	35,169,938
USDE: Academic Competitiveness	84.375	P375A101630	364,697
USDE: Science and Math Access to Retain Talent	84.376	TITLE IV SMART	781,097
USDE: TEACH - Teacher Education Assistance for College and Higher Education Grant Program	84.379	P379T091630	176,000
Total U.S. Department of Education			38,248,560
Total Student Financial Aid Cluster			200,335,484
Research and Development Cluster:			
Department of Agriculture:			
Development of Novel Bio-based Polyols and Their Derivatives for Low VOC Coating Applications	10.200	C5722P1C5722P1	37,972
University of Rhode Island: Physcomitrella patens as a heterologous expression system for Investigating the functions of cellulose synthase-like gene products	10.206	USDA	(2,983)
Total Department of Agriculture			34,989
Department of Commerce:			
NOAA: Coupled Remote Sensing and Biological Monitoring of Invasive Plant Species and Their Impacts on the Detroit River International Wildlife Refuge (CRSBM-DRWR)	11.417	NA09OAR4170172	271,610
NOAA: Integrated Assessment of Coastal Brownfield Redevelopment in Michigan: A Spatial Decision Support Systems Approach	11.417	NA05OAR4171045	(79)
NOAA: Sailing Elementary Teachers Toward Ocean Literacy Using Familiar Water Resources (funding part I)	11.469	NA07SEC4690004	78,160
Total Department of Commerce			349,691
Department of Defense:			
U.S. Army: Support for Attendees of San Francisco, CA March 21-25 Spring National ACS Meeting Symposium on Coating Technologies	12.300	N00014 10 1 0622	185
ONR Development of Biological Agents Destructive and Protective Clothing for Combat Soldiers and Security Personnel, Phase II	12.300	W911QY-08-C-0147	5,756
ONR Development of Biological Agents Destructive and Protective Fabric for Combat Soldiers and Security Personnel - Phase III	12.300	W911QY-10-C-0044	417,125
ONR Cross-National Analysis of Islamic Fundamentalism, Task I	12.300	N00014-09-1-0985	770,522
U.S. Army: Support for Attendees of San Francisco, CA March 21-25 Spring National ACS Meeting Symposium on Coating Technologies	12.431	W911NF 10 1 0077	651
Air Force Office of Scientific Research: Hybrid Materials for Thermal Management in Thin Films and Bulk Composites	12.800	FA9550-08-1-0431 P0001	316,773
Air Force Office of Scientific Research: A Workshop on Theoretical and Methodological Issues in the Study of Values and Values Change in Islamic Countries	12.800	FA8655 10 1 5001	11,790
Universal Technology Corp: Advanced Coating Systems for Aluminum Surfaces	12.800	SUB075568028C1 FA865005D5807	(193)
Universal Technology Corp: Advanced Coating Systems for Aluminum Surfaces	12.800	SUB075568028C1, FA865005D5807	279
Enhancing IA Educational Outreach within the State of Michigan: Annex I Option-Slots for NDU Students	12.902	H98230-07-1-0212	10,713
NSA IA Enhancing IA Educational Outreach within the State of Michigan: Annex I Option-Slots for NDU Students	12.902	H98230-09-1-0373	(130)
DoD Information Assurance Scholarship Program for 2010-2011 Academic Year: Basic Proposal, Annex I and Annex II	12.902	H98230 10 1 0394	1,499
Total Department of Defense			1,534,970

Eastern Michigan University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2011

Federal Agency/Pass-through Agency/Program Title	Federal CFDA Number	Federal Award Number	Federal Expenditures
Research and Development Cluster (Continued):			
Department of the Interior U.S. Geological Survey : Great Lakes Science Center Analysis of Bacteria Concentrations	15.805	G11PX00027	\$ 7,500
U.S. Department of State Bureau of Educational and Cultural Affairs : Academic Exchange Programs: Fulbright Visiting Scholars Program	19.408	S-IZ-100-09-GR-101	30,853
National Aeronautics and Space Administration:			
NASA MSGC Operating Support	43.001	-	2,043
UM: Grassland Ecosystems and Societal Adaptations under Changing Grazing Intensity and Climate on the Mongolian Plateau	43.001	NNX09AK87G	148,722
Wayne County: Investigating Climate Change and Remote Sensing (ICCARS)	43.001	NNX10AD30A.02	141,763
Total National Aeronautics and Space Administration			292,528
National Science Foundation:			
NSF:NUE-RUI-Nanotechnology Curriculum Development	47.049	CHE-0407360	(613)
NSF/AIR: The Impact of MSP Professional Development on the Quality of Instruction in Middle School Math and Science Classrooms	47.049	NSF 0929191 536.02865	35,305
Collaborations for Building Michigan Geology Talent	47.050	GEO-1006652	18,363
NSF:RUI Maintenance of Stomatal Aperture	47.074	IBN-0343873	626
NEH/Wichi: Documentation, Description, and Training	47.075	PD-50002-06	54,173
NSF:Implementing the GOLD Community of Practice: Laying the Foundations for a Linguistics Cyberinfrastructure	47.075	0720122	56,316
NSF/DHB: Collaborative Research LL-Map Language	47.075	BCS-0527512	42,091
NSF: Interop: LEGO	47.075	BCS-0753321	164,821
NSF: "Collaborative Research" ELIIP: Endangered Language Information and Infrastructure Project	47.075	BCS-0924127	2,007
NSF: Creative Scientific Inquiry Experience	47.076	AWARD 0525514	106,436
A Meta-Analysis of the Effectiveness of Small-Group Instruction Compared to Lecture-Based Instruction in Science, Technology, Engineering, and Mathematics (STEM) College Courses-Year One	47.076	DRL-0815692	53,637
The Great Lakes Climate Change Science and Education Systemic Network (GLCCSESN), 2010-2011 (year 1)	47.076	DUE-1043278	190,398
NSF Robert Noyce Schlsip Program	47.076	DUE-0833286	75,392
NSF/UM: The Impact of Online Professional Development (IOPD)	47.076	3000766391	13,314
ARRA/NSF: ICE - Integrating Cartographic Elements: Creating Resources Emphasizing Arctic Materials	47.082	ARC-0952335	174,821
ARRA - MRI-R2: Acquisition of a High-Resolution Time-of-Flight Mass Spectrometer for Research and Education	47.082	CHE-0959621	203,736
Total National Science Foundation			1,190,823
Environmental Protection Agency:			
EPA/GLFC: Attachment Behavior of Sea Lampreys in Relation to Substrate Characteristics	66.469	-	(129)
EPA: Building Leadership Capacity for Sustainability	66.951	NE-83327201-0	17,857
Total Environmental Protection Agency			17,728
Department of Education:			
USDE/MDLEG:2004-05 CTTE Program Improvement	84.048	5018-1	509
Professional Services to "Ready to Learn" Project	84.286	SUB: U OF M	(124)
U.S. Census Bureau: Observing Census Enumeration	84.363	YAI32310SE0311	17,392
Total Department of Education			17,777
Department of Health and Human Services:			
EMU Alzheimer's Education and Research Program	93.051	20101328	15,072
UM: NIH Michigan Bridges to Doctorate	93.187	I-R25-GM-0896387-02	72,635
EMU Alzheimer's Education and Research Program, 2010-2011	93.958	MICOM	48,717
UM: Prototyping Strategies for the Elucidation of Genetic Interactions In Complex Disease Etiology	93.279	3000935743	62,163
The University of Michigan George M. O'Brien Renal Core Center	93.398	U OF M:3001703728	15,457
Evaluation of the Jackson Recovery Court	93.584	TJ023096	6,674
Novel Targets in Thrombosis and Atherosclerosis, 2008-2010	93.839	3000998038 P01 HL 089407	42,309
Adherence to IDDM in Urban Youth	93.847	WSU10021	30,284
UM: NIH - Stroke Health and Risk Education	93.853	3001416093	81,517

See Notes to Schedule of Expenditures
of Federal Awards.

Eastern Michigan University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2011

Federal Agency/Pass-through Agency/Program Title	Federal CFDA Number	Federal Award Number	Federal Expenditures
Research and Development Cluster (Continued):			
Department of Health and Human Services (Continued):			
Signaling Cascades, Allosteric and the Pyrimidine Pathway	93.859	RFAGM01005	\$ 39,382
HHS/MDCH:Alzheimer's Research Program 2004-2005	93.951	-	(2,127)
Michigan Level of Functioning Project - Year 14, 2009-2010	93.958	08BIMICMHS	33,348
Michigan Level of Functioning Project - Year 15, 2010-2011	93.958	MDCH	72,760
ARRA: NIH Characterization of Genetic Instability at Chromosomal Fragile Sites	93.701	IR15GM093929-01	60,606
ARRA/NIH: An Individually Tailored Mammography Screening Intervention for Chinese Americans	93.701	IR21CA127825-01A2	95,235
ARRA: UM - Skill Acquisition in Older Adults	93.701	3R01AG024106-04SI	7,222
ARRA: Wake Forest - Visiting Research Association	93.701	-	13,517
Total Department of Health and Human Services			694,771
Total Research and Development Cluster			4,171,630
Trio Cluster - Department of Education:			
Upward Bound 2006 2011	84.047	P047A071054-09	390,652
Upward Bound 03 08	84.047	P04A030789	(15,840)
McNair Postbaccalaureate Achievement Program	84.217	P217A070173-08	193,141
Total Trio Cluster			567,953
Workforce Investment Act Cluster:			
Washtenaw County: The B Side Workforce Investment	17.259	CR # 41558	71,715
USDL Workforce Investment	17.261	EA-18567-09-60-A-26	125,693
Total Workforce Investment Act Cluster			197,408
State Fiscal Stabilization Fund Cluster - ARRA -MDE - Ed Stabilization Fund Support	84.394	70004	209,221
Total Clusters			205,481,696
Other federal awards:			
Department of Agriculture: MDNR - Regional Urban Tree Canopy Assessment	10.664	UFG 10-03	55,619
Department of Justice:			
Comprehensive Wrap-Around Social Services for High-Risk Teen Parents and Their Families	16.541	2008-JL-FX-0079	52,011
Comprehensive Wrap-Around Social Services for High-Risk Teen Parents and Their Families, Part 2	16.541	2009-JL-FX-0230	168,604
DOJ: Strengthening Orgznztns BI	16.609	2003-DD-BX-1155	4,308
ARRA: MDSP - 1st Yr Center Secur	16.803	2009-SU-B9-0017	65,231
Total Department of Justice			290,154
Department of Labor: Detroit Regional Chamber - Project Lead The Way	17.261	WIRED	(5,399)
National Aeronautics and Space Administration: Michigan Space Grant Cons. - Our Magnetic Universe	43.001	MSGC 10/11	6,037
National Endowment for the Humanities: Relish - Rendering Endangered Languages Lexicons Interoperable Through Standards Harmonization	45.169	HG-50010-09	38,463
National Science Foundation: NSF ITTEST Mayors Youth Tech Co	47.076	0737589	108,078
Small Business Administration:			
USSBA/GVSU: 2010 SBTDC Region	59.037	0-603001Z-0023-10	286,221
USSBA GVSU: 2011 SBTDC	59.037	1-603001Z-0023-11	233,162
Total Small Business Administration			519,383
Environmental Protection Agency: Great Lakes Commission - Server Hosting and RAPIDS Main	66.034	EPA	54,392
Department of Education:			
MDE/MDLEG:Michigan BPA 04-05	84.048	053430/50131	568
Michigan DECA-Competitive Renewal (One year with two additional renewal years)	84.048	103430	(4,986)
Michigan DECA-Competitive Renewal (One year with one additional renewal years)	84.048	103430	72,477
Michigan Skills USA-Competitive Renewal (One year project period with two renewal years)	84.048	103430-10136	(2,224)

Eastern Michigan University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2011

Federal Agency/Pass-through Agency/Program Title	Federal CFDA Number	Federal Award Number	Federal Expenditures
Other federal awards (Continued):			
Department of Education (Continued):			
Michigan Skills USA-competitive Renewal (One year project period with one renewal)	84.048	103430-10136	\$ 75,667
CDPF/MDLEG: Michigan Skills USA 2006-2007	84.048	07RFT0003	(2,021)
MDLEG/CPF: Michigan FCCLA 2007-2008	84.048	083430-0813-4	(4,119)
MDLEG/CPF: Michigan Skills USA 2008-2009	84.048	093430-90136	(1,152)
Michigan Family, Career & Community Leaders of America (FCCLA) - Competitive Renewal (Y3 of 3)	84.048	103430-10134	27,564
Michigan Family, Career & Community Leaders of America (FCCLA) - Competitive Renewal	84.048	103430-10134	18,183
2007-2008 Career and Technical Teacher Education Program Improvement Grant	84.048	803520-08182	(32)
Michigan Business Professionals of America (BPA) - Competitive Renewal (Y3 of 3)	84.051	103430-10131	(294)
Michigan Business Professionals of America (BPA) - Competitive Renewal	84.051	103430-10131	71,054
Minority Teacher Preparation Program: DREAMS	84.116	P116Z090282	177,263
Clinton County RESA: Foster Care Services for Early	84.181	CLINTON COUNTY RESA	1,252
A Community-Based Model for Emergency Management	84.184	Q184T090004	242,962
Training Content Area Teachers to Teach English	84.194	T195N070245	281,141
Charter School Planning and Implementation Grant	84.282	090610-12	59,921
USDE/MDE:21st Century Community Learning Center Year 3	84.287	04210/21ST02093	(1,036)
MDE/USDE: 21st Century Community Learning Centers 2007-2008	84.287	82110-D07067	(1,262)
MDE/USDE: 21st Century Community Learning Centers 2008-2009	84.287	D07067	(441)
21st Century Community Learning Centers - Brighter Futures Year 3	84.287	D07067-COHORT D	21,328
21st Century Community Learning Centers - Brighter Futures Year 4 (Cohort D)	84.287	D07067-COHORT D	717,801
21st Century Community Learning Centers, Bright Futures at Middle and High Schools (Cohort F)	84.287	F09025-COHORT F	27,674
21st Century Community Learning Centers, Bright Futures at Middle and High Schools, Year 2 (Cohort F)	84.287	F09025-COHORT F	756,074
GEAR UP Evaluation Planning Grant	84.334	RTI GRANT 0209234.002.013-34	3,229
USDE/MDLEG Michigan Department of Career Development KCP State GEAR-UP Program R72517 Subgrant	84.334	GRANT NO. 06-00-02	42,164
USDE GEAR UP 2006 2012	84.334	P334A060204 84.334A	508,790
Michigan Department of Career Development KCP State GEAR-UP Program 2011-2011	84.334	10-00-02	51,455
Underground Railroad and Cultural Program: The Cooperative Underground Railroad Education Project. (CUREP)	84.345	P345A095005	29,276
USDE/MDE:Urban Elem Math Teachers	84.367	040290/502	149
USDE/MDE:Teachers Learning Together In Detroit II: Deepening and Sustaining Professional Development Experiences	84.367	050290/602	(50)
USDE/MDE:Project Success:Assisting Students	84.367	060290-611	4
Access Plus: EMU College Positive Communities Grant	84.378	CPC4-10	1,017
Eastern Michigan University Writing Project - 2010-2011	84.928	AMEND 20 90-M101	43,621
Eastern Michigan University Writing Project - 2011-2012	84.928	AMEND 21 CONTRACT 92-M101	7,200
Eastern Michigan University Writing Project - 2009-2010	84.928	AMENDMENT 19 CNTRCT 92-M101	1,332
USDE/MDE:Urban Elem Math Teachers	84.367	055170-80555C	149
Total Department of Education			3,221,698
Department of Health and Human Services:			
EMU School of Nursing Graduate Traineeship	93.358	A10HP12799-01-00	3,767
USDE/MDE:2004-2005 Michigan School Readiness Program	93.558	COHORT F	5,519
ARRA - Capacity Building of Nonprofit Organizations Servicing Distressed Communities In Wayne and Eastern Washtenaw Counties Michigan	93.711	90S10009/01	550,992
Total Department of Health and Human Services			560,278
Corporation for National and Community Service:			
Pay It Forward: Strengthening communities Through Student-Lead Philanthropy	94.005	-	5,000
EMU-Partridge: Collaborative for Youth Empowerment 2009 Year 2	94.005	06LHHM1001	503
Building Communities, Building Lives 2009-2010	94.005	06LHHM1001	179
USCNC/MCSC: IMPACT: Inspiring Mentors, Parents, and Children Together	94.006	MACF-10-81299	30,641
Total Corporation for National and Community Service			36,323

See Notes to Schedule of Expenditures
of Federal Awards.

Eastern Michigan University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2011

Federal Agency/Pass-through Agency/Program Title	Federal CFDA Number	Federal Award Number	Federal Expenditures
Other federal awards (Continued):			
Department of Homeland Security			
TEEN CERT: Student Citizen Response Train-the-Trainers Program	97.005	2005-GT-T5-K015	\$ (1,871)
Texas Citizens Corp Prgram-CERT (Community Emergency Response Team)	97.005	-	<u>5,292</u>
Total Department of Homeland Security			<u>3,421</u>
Total other federal awards			<u>4,888,447</u>
Total federal expenditures			<u>\$ 210,370,143</u>

Eastern Michigan University

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2011

Note 1 - Basis of Presentation and 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, 2011. 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, 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. Pass-through entity identifying numbers are presented where available.

Note 2 - Loans Outstanding

During the fiscal year ended June 30, 2011, 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 students' 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 and the Nurse Faculty Loan Program (ARRA) through the Department of Education. 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, 2011 amounted to \$877,220. The loans issued through the Nurse Faculty Loan Program (ARRA) during the year ended June 30, 2011 amounted to \$13,069.

Eastern Michigan University

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2011

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>
USDJ: Comprehensive Wrap-Around Social Services for High-Risk Teen Parents and Their Families	16.541	\$ 40,771
DOD: ONR Cross-National Analysis of Islamic Fundamentalism, Task I	12.300	210,609
USSBA/GVSU: 2010 SBTDC Region	59.037	47,411
The Great Lakes Climate Change Science and Education Systemic Network (GLCCSESN), 2010- 2011 (year I)	47.076	106,788
NSF: A Meta-Analysis of the Effectiveness of Small- Group Instruction Compared to Lecture-Based Instruction in Science, Technology, Engineering and Mathematics (STEM) College Courses - Year One	47.076	28,137
NSF: Interop: LEGO	47.075	7,715
ARRA - Capacity Building of Nonprofit Organizations Servicing Distressed Communities in Wayne and Eastern Washtenaw Counties Michigan	93.711	<u>298,895</u>
	Total	<u>\$ 740,326</u>

Eastern Michigan University

Schedule of Findings and Questioned Costs Year Ended June 30, 2011

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 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: Unqualified

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:

CFDA Numbers	Name of Federal Program or Cluster
84.007, 84.033, 84.038, 84.063, 84.268, 84.375, 84.376, 84.379, 93.408	Student Financial Aid Cluster
84.394	ARRA - State Fiscal Stabilization Cluster
93.711	ARRA - Capacity Building of Nonprofit Organizations Servicing Distressed Communities in Wayne and Eastern Washtenaw Counties Michigan
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP)

Dollar threshold used to distinguish between type A and type B programs: \$301,040

Auditee qualified as low-risk auditee?

Yes No

Eastern Michigan University

Schedule of Findings and Questioned Costs Year Ended June 30, 2011

Section II - Financial Statement Audit Findings

Reference Number	Finding
2011-1	<p>Finding Type - Significant deficiency</p> <p>Criteria - Annual library subscriptions are not capitalizable assets and should either be expensed up front or over the period of the subscription as a prepaid expense.</p> <p>Condition - The library has shifted to purchasing a significant portion of its resources to online services on annual subscriptions but still recorded in the library holdings account which was annually capitalized and depreciated over seven years instead of either expensing up front or expensing over the period of the subscription as a prepaid expense.</p> <p>Context - Net book value of the subscriptions was approximately \$3,000,000 at June 30, 2011.</p> <p>Cause - The library holdings account was set up to be capitalized and depreciated over seven years. Annual subscriptions were being included in this account instead of separately and either expensed up front or expensed over the period of the subscription as a prepaid expense.</p> <p>Effect - Expense was being recognized for over seven years versus over the period of the subscription.</p> <p>Recommendation - We recommend the University set up a separate account for online subscriptions which have no ongoing useful life into a separate account so that they are not capitalized along with library book purchases.</p> <p>Views of Responsible Officials and Planned Corrective Actions - Management agrees with this finding. A separate account for online subscriptions has been set up to expense over the life of the subscription and not depreciated.</p>

Section III - Federal Program Audit Findings

None