

**BOARD OF REGENTS**  
EASTERN MICHIGAN UNIVERSITY

SECTION: 14
DATE: December 5, 2014

**RECOMMENDATION**

**OMB CIRCULAR A-133 SUPPLEMENTARY FINANCIAL REPORTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**ACTION REQUESTED**

It is recommended that the Board of Regents receive and place on file the U.S. Office of Management and Budget Circular A-133 Supplementary Financial Reports for the year ended June 30, 2014.

**STAFF SUMMARY**

The U.S. Office of Management and Budget (OMB) requires an annual audit and report of compliance with the requirements of federal award programs. Plante & Moran, PLLC, Eastern's independent auditor, conducted the audit and provided their opinion. In their opinion, Eastern has complied, in all material respects, with the requirements that could have a direct and material effect on each of its major federal programs year ended June 30, 2014.

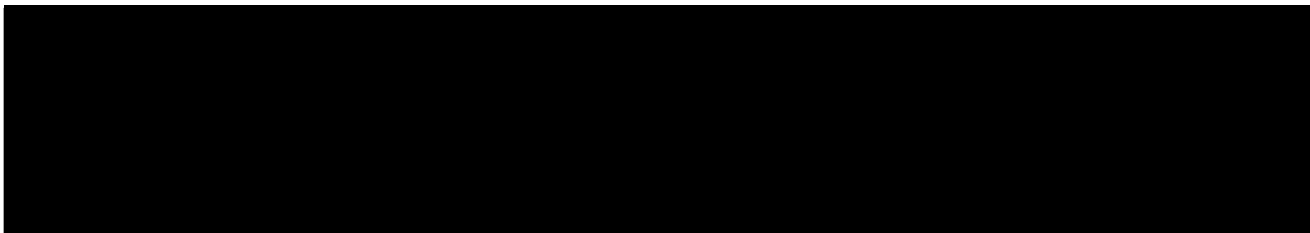
Plante & Moran further reported that no internal control material weaknesses or significant deficiencies were identified in the course of performing this federal award audit.

**FISCAL IMPLICATIONS**

None

**ADMINISTRATIVE RECOMMENDATION**

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



# **Eastern Michigan University**

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**Federal Awards  
Supplemental Information  
June 30, 2014**

Independent Auditor's Reports:

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133	I
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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, 2014 and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon dated October 7, 2014, which contained an unmodified opinion on those basic financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited basic financial statements subsequent to October 7, 2014.

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 A-133, *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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements as a whole.

Kalamazoo, Michigan  
October 29, 2014

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, 2014, 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 7, 2014. 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 basic 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 basic 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 basic 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 basic 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.



Kalamazoo, Michigan  
October 29, 2014





Report on Compliance for the 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 the 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) Circular A-133 Compliance Supplement that could have a direct and material effect on its major federal program for the year ended June 30, 2014. Eastern Michigan University's major federal program is 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 its federal program.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for Eastern Michigan University's major federal program 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 the 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 its major federal program for the year ended June 30, 2014.

**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 its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.



Kalamazoo, Michigan  
October 29, 2014



# Eastern Michigan University

## Schedule of Expenditures of Federal Awards Year Ended June 30, 2014

Federal Agency/Pass-through Agency/Program Title	Federal CFDA		Federal Expenditures
	Number	Federal Award Number	
Clusters:			
Student Financial Aid Cluster:			
Loan and Loan Guarantee Programs (Direct):			
USDE: Perkins Loans Issued and Outstanding	84.038		\$ 9,326,003
USDE: Direct PLUS Loans	84.268	P268K111630	14,037,041
USDE: Direct Loan Stafford	84.268	P268K111630	<u>128,929,402</u>
Total Loan and Loan Guarantee Programs			152,292,446
U.S. Department of Education (Direct):			
USDE: Supplemental Education Opportunity Grant	84.007	P007A132005	808,046
USDE: College Work Study	84.033	P033A132005	805,285
USDE: CWS Job Locator	84.033	P033A132005	44,518
USDE: PELL Grants	84.063	P063P041630	34,130,613
USDE: TEACH - Teacher Education Assistance for College and Higher Education Grant Program	84.379	P379T141630	<u>136,612</u>
Total U.S. Department of Education			188,217,520
U.S. Department of Health and Human Services (Direct):			
ARRA USHHS: Nurse Faculty Loan Program - Loans issued and outstanding	93.408	IEOAPH1548-01-00	40,980
USHHS: Nurse Faculty Loan Program - Loans issued and outstanding	93.264	E01HP25866	<u>139,024</u>
Total U.S. Department of Health and Human Services			180,004
Total Student Financial Aid Cluster			188,397,524
Research and Development Cluster:			
Department of Agriculture - Direct:			
Development of Novel Bio-based Polyols and Their Derivatives for Low VOC Coating Applications			
	10.200	CS722P1C5722P1	57,078
Soy Based Functional Building Blocks for Sustainable Advanced Coatings			
	10.200	2013-38202-20398	<u>117,218</u>
Total Department of Agriculture			174,296
Department of Commerce - Direct:			
NOAA: Environmental Service - Learning Project, Environmental Literacy			
	11.008	NA12SEC0080007	33,534
NOAA: Coupled Remote Sensing and Biological Monitoring of Invasive Plant Species and Their Impacts on the Detroit River International Wildlife Refuge (CRSBM-DRIWR)			
	11.417	NA09OAR4170172	<u>25,267</u>
Total Department of Commerce			58,801
Department of Defense - Direct:			
ONR Cross-National Analysis of Islamic Fundamentalism, Task I			
	12.300	N00014-09-1-0985	(8,372)
A Workshop on Theoretical and Methodological Issues in the Study of Values and Values Change in Islamic Countries			
	12.800	FA8655 10 I 5001	692
Utilizing Probability Distribution Functions and Ensembles to Forecast Ionospheric and Thermospheric Space Weather (Year 1 of 3)			
	12.800	SUB 3002294751	42,912
DoD Information Assurance Scholarship Program for 2012-2013 Academic Year: Annex II Capacity			
	12.902	H98230-12-1-0428	44,298
DoD Information Assurance Scholarship Program for 2013-2014 Academic Year: Annex II Capacity			
	12.902	H98230-13-1-0444	<u>11,063</u>
Total Department of Defense			90,593
Department of State Bureau of Educational and Cultural Affairs - Passed through the Great Lakes Fishery Commission: Field Comparison of Eel-Ladder-Style and Traditional Sea Lamprey Traps			
	19.087	GRELAK30	4,859

# Eastern Michigan University

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2014

Federal Agency/Pass-through Agency/Program Title	Federal CFDA		Federal Expenditures
	Number	Federal Award Number	
Clusters (Continued):			
Research and Development Cluster (Continued):			
National Aeronautics and Space Administration - Passed through:			
UM: Grassland Ecosystems and Societal Adaptations Under			
Changing Grazing Intensity and Climate on the Mongolian Plateau	43.001	NNX09AK87G	\$ 29,903
Wayne County: Investigating Climate Change and			
Remote Sensing (ICCARs)	43.001	NNX10AD30A.02	1,056
MSGC/NASA: Mars Rover Mission	43.001	M.S.G.C. - NASA	463
MSGC: Michigan Space Grant Fellowships, 2006-2007	43.001	M.S.G.C. - NASA	2,500
NASA: Understanding the Time Dependent Response of the Martian Upper			
Atmosphere to Solar Flares and Dust Storms, Year 1 of 3 (2012-2013)	43.001	NNX12AJ49G	<u>50,082</u>
Total National Aeronautics and Space Administration			84,004
National Science Foundation:			
NSF/AIR: The Impact of MSP Professional Development on the			
Quality of Instruction in Middle School Math and Science			
Classrooms - Pass through	47.049	NSF 0929191 536.02865	17,950
MAA: Regional Undergraduate Mathematics conference 2014	47.049	DMS-0846477	1,222
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	13,111
NSF/UM: Digitization TCN: Collaborative Research: T:ritrophic Databasing Initiative (project			
Year 3 only)	47.074	EF-1115081 3002638332	5,372
NSF: Collaborative Research: Automatically Annotated Repository of			
Video and Audio Resources Community - Direct	47.075	BCS-1244713	6,345
NSF MultiTree: Completing the Library of Language Relationships - Direct	47.075	BCS-1227106	72,098
NSF: Collaborative Research ELIIP: Endangered Languages Catalog - Direct	47.075	BCS-1057725	7,424
Robert Noyce Scholarship Program - Direct	47.076	DUE-0833286	60,444
NSF: The Physics Scholars Program at Eastern Michigan University - Direct	47.076	DUE-09661606	30,877
NSF: Creative Scientific Inquiry Experience - Direct	47.076	AWARD 0525514	<u>60,409</u>
Total National Science Foundation			275,252
Department of Health and Human Services:			
EMU Alzheimer's Education and Research Program, 2011-2012 -			
Pass through	93.051	11B1MICMHS / 20121537/2212758	2,843
CDC/WSU: Strengthening Supports for Health Relationships: A Gender-Sensitive, Mixed			
Methods Analysis of Protective Factors for Intimate Partner Violence, Year 1 of 3	93.136	WSU13030	83,946
CDC/WSU: Strengthening Supports for Health Relationships: A Gender-Sensitive, Mixed			
Methods Analysis of Protective Factors for Intimate Partner Violence, Year 2 of 3	93.136	WSU14027	77,183
UM: NIH Michigan Bridges to Doctorate - Pass through	93.187	I-R25-GM-0896387-02	689
ARRA: NIH Characterization of Genetic Instability at Chromosomal			
Fragile Sites - Direct	93.701	IR15GM093929-01	77,939
UM: NIH Novel Targets in Thrombosis and Atherosclerosis, 2008-2010 - Pass through	93.839	3000998038 P01 HL 089407	1,347
NIH: Parent Focused Obesity Intervention for Low-African American Preschoolers	93.847	IR03DK097444-01	19,891
		3001416093 5-901-NS062675-	
		03	36,579
UM: NIH - Stroke Health and Risk Education - Pass through	93.853	R15GM107841-01	63,419
NIH: Causes and Consequences of Genomic Instability at Fragile Sites	93.859	12B1MICMHS	11,771
HHS/MDCH: Alzheimer's Education and Research Program, 2012-2013 - Pass through	93.958	13B1MICMHS/20141342	<u>51,057</u>
HHS/MDCH: Alzheimer's Education and Research Program, 2013-2014 - Pass through	93.958		
Total Department of Health and Human Services			426,664
Total Research and Development Cluster			<u>1,114,469</u>

See Notes to Schedule of Expenditures  
of Federal Awards.

# Eastern Michigan University

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2014

Federal Agency/Pass-through Agency/Program Title	Federal CFDA Number	Federal Award Number	Federal Expenditures
Clusters (Continued):			
Trio Cluster - Department of Education - Direct:			
Upward Bound 2006 2011	84.047	P047A071054-09	\$ (22,433)
Upward Bound - Competitive Renewal 2012-2013	84.047	P047A121310	395,780
McNair Postbaccalaureate Achievement Program	84.217	P217A070173-08	590
Eastern Michigan University Ronald McNair Program	84.217	P217A120065	<u>172,933</u>
Total Trio Cluster			546,870
Workforce Investment Act Cluster - Department of Labor - Pass through - The Business Side of Youth	17.277	B-SIDE MOD #1 - MAR-JUNE 2014	<u>21,080</u>
Total Clusters			190,079,943
Other federal awards:			
Department of Housing and Urban Development - Pass through - Connecting Hamilton Crossing: Developing Family Self-sufficiency Education Programs for Subsidized Housing Residents	14.704	CCPMI0057-11	1,814
Department of State Bureau of Near Eastern Affairs - Pass through - The Birth Place of the Arab Spring: Value Orientations and Political Actions in Tunisia (part I)	19.500	95102 W15P7T 12 C F600	102,878
National Endowment for the Humanities - Direct:			
NEH/MHC: For Love of This Place: Interpreting the Campbell-De Young Farmstead	45.129	MHC GRANT NO: 41 H12	7,393
Lincoln: The Constitution and the Civil War	45.164	LL-50065-09	<u>4</u>
Total National Endowment for Humanities			7,397
National Endowment for the Arts - Direct:			
Open Book	45.024	12-4200-7048	30,677
Small Business Administration - Pass through:			
USSBA/GVSU: 2013 SBTDC Region	59.037	SBAHQ-13-B-0035	242,626
USSBA/GVSU: 2014 SBTDC Region	59.037	SBAHQ-14-B-0024	<u>211,864</u>
Total Small Business Administration			454,490
Environmental Protection Agency - Pass through:			
Great Lakes Commission - Server Hosting and RAPIDS Maintenance/Upgrade	66.034	EMU-IGRE2013-1	21,833
Great Lakes Commission - APIDS Work Plan 2010-4, RAPIDS 3.0 Software Coding, CAROL2 Application, Maintenance	66.034	GRELAK1	8,000
FWS/USGS/GLFC: Refinement of a New Trapping Tool for Migrating Adult Sea Lamprey	66.469	GLFC-EMU-REINHARD	<u>12,883</u>
Total Environmental Protection Agency			42,716

# Eastern Michigan University

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2014

Federal Agency/Pass-through Agency/Program Title	Federal CFDA		Federal Expenditures
	Number	Federal Award Number	
Other federal awards (Continued):			
Department of Education:			
CDPF/MDLEG: Michigan Skills USA 2006-2007	84.048	07RFT0003	\$ (2,021)
Michigan Skills USA - Competitive Renewal - Pass through	84.048	143430-14136	84,820
Michigan Business Professionals of America (BPA) - Competitive Renewal - Pass through	84.051	103430-10136	1,026
Michigan Business Professionals of America (BPA) - Competitive Renewal - Pass through	84.051	133430-13131	488
Michigan DECA - Competitive Renewal - Pass through	84.051	133430-13132	(7,521)
Michigan Family, Career & Community Leaders of America (FCCLA) - Renewal - Pass through	84.051	133430-13134	89
Michigan Skills USA-Competitive Renewal Total - Pass through	84.051	133430-13136	(8,192)
Michigan Business Professionals of America (BPA) - Competitive Renewal - Pass through	84.051	14CTE04-14CTE05	78,503
Michigan Family, Career & Community Leaders of America (FCCLA) - Renewal Total - Pass through	84.051	14CTE02	65,419
Michigan DECA - Competitive Renewal - Pass through	84.051	143430-14132	91,592
Training Content Area Teachers to Teach English - Direct	84.194	T195N070245	31,903
21st Century Community Learning Centers - Brighter Futures Year 5 (Cohort D) - Pass through	84.287	D07067-COHORT D	(1,452)
21st Century Community Learning Centers, Bright Futures at Middle and High Schools, Year 3 (Cohort F) - Pass through	84.287	F09025-COHORT F	(7,017)
21st Century Community Learning Centers, Bright Futures at Middle and High Schools, Year 4 (Cohort F) - Pass through	84.287	F09025-COHORT F	26,413
21st Century Community Learning Centers, Bright Futures at Middle and High Schools, Year 5 (Cohort F) - Pass through	84.287	COHORT F	665,258
21st Century Community Learning Centers - Bright Futures Year 1 (cohort G-1) - Pass through	84.287	132110 - G12021	703,511
21st Century Community Learning Centers - Bright Futures Year 1 (cohort G-2) - Pass through	84.287	132110 - G12022	(7,256)
21st Century Community Learning Centers - Bright Futures Year 2 (cohort G-2) - Pass through	84.287	G12022	706,865
Michigan Department of Career Development KCP State GEAR-UP Program 2011-2-17	84.334	12-00-02, 13-00-02	180,555
Underground Railroad and Cultural Program: The Cooperative			
Underground Railroad Education Project (CUREP) - Pass through	84.345	P345A095005	4,000
Observing Census Enumeration of Non-English Speaking Households in the 2010 U.S. Census	84.363	YAI32310SE0311	1,350
MDE: Wayne County U.S. History & Geography Project: Building Competence in U.S. History Through the Use of Geographic Information Systems	84.367	13029-023	154,783
Eastern Michigan University Writing Project - 2012-2013 - Pass through	84.367	92-M101-SEED2012	6,879
SEED Elementary Evaluation #1 - Pass through	84.367	Amendment 1	(3,352)
SEED #3: Professional Development in a High-Need School - Pass through	84.367	Amendment 2	9,829
Exploring Writing Outside Your Comfort Zone:		92-M101-SEED2012	
Writing in Unfamiliar Genres with You and Your Students	84.367	Amendment 3	10,426
SEED #2: Professional Development in a High-Need School	84.367	Amendment 4	22,963
Student Transcript and Academic Record Repository (STARR) Data Exchange Process	84.372	071 W2205028	10,703
Access Plus: EMU College Positive Communities Grant	84.378	CPC4-10	14
Total Department of Education			2,820,578

# Eastern Michigan University

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2014

Federal Agency/Pass-through Agency/Program Title	Federal CFDA Number	Federal Award Number	Federal Expenditures
Other federal awards (Continued):			
Department of Health and Human Services:			
Independent Living Skills Coach for Training Eligible Foster Care Youth - Direct ARRA - Capacity Building of Nonprofit Organizations	93.674	YIT-13-81001	\$ 103,653
Servicing Distressed Communities in Wayne and Eastern Washtenaw Counties Michigan - Direct	93.711	90SI0009/01	<u>46</u>
Total Department of Health and Human Services			103,699
Department of Homeland Security:			
UofA: The Muslim Immigrant Experience: Trends and Outcomes	97.061	PO 48000	984
Cyber Discovery: Professional Development for High School Teachers through Student-Catalyst Teams	97.127	NICERC 13-0211	<u>5,007</u>
Total Department of Homeland Security			<u>5,991</u>
Total other federal awards			<u>3,570,240</u>
Total federal expenditures			<u>\$ 193,650,183</u>



# Eastern Michigan University

## Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2014

### 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 (the "University") under programs of the federal government for the year ended June 30, 2014. Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements, although the basis for determining when federal awards are expended is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. In addition, expenditures reported on the Schedule are recognized following the cost principles contained in OMB Circular A-21, *Cost Principles for Educational Institutions*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Because the Schedule presents only a selected portion of the operations of Eastern Michigan University, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows, if applicable, of Eastern Michigan University. Pass-through entity identifying numbers are presented where available.

### Note 2 - Subrecipient Awards

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

Federal Program Title	CFDA Number	Amount Provided to Subrecipients
USSBA/GVSU: 2013-14 SBTDC Region 9	59.037	\$ 51,834
USDE/MDE: Wayne County U.S. History & Geography Project: Building Competence in U.S. History Through the Use of Geographic Information Systems	84.367	66,139
DOD/MITRE: The Birth Place of the Arab Spring: Value Orientations and Political Actions in Tunisia (part I)	19.500	28,626
NASA: Understanding the Time Dependent Response of the Martian Upper Atmosphere to Solar Flares and Dust Storms Year 1 of 3	43.001	14,455
DOD: ONR Cross-National Analysis of Islamic Fundamentalism, Task I	12.300	4,581
Total		\$ 165,635

# Eastern Michigan University

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## Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2014

### Note 3 - Loans Outstanding

During the fiscal year ended June 30, 2014, 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 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, 2014 amounted to \$352,685. There were no loans issued through the Nurse Faculty Loan Program (ARRA) and \$56,383 issued through the Nurse Faculty Loan Program (non-ARRA) during the year ended June 30, 2014.

# Eastern Michigan University

## Schedule of Findings and Questioned Costs Year Ended June 30, 2014

### 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 program:

CFDA Numbers	Name of Federal Program or Cluster
84.007, 84.033, 84.038, 84.063, 84.268, 84.379, 93.264, and 93.408	Student Financial Aid Cluster

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

Auditee qualified as low-risk auditee?

Yes  No

# **Eastern Michigan University**

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## **Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2014**

### **Section II - Financial Statement Audit Findings**

None

### **Section III - Federal Program Audit Findings**

None