

**BOARD OF REGENTS**  
EASTERN MICHIGAN UNIVERSITY

<b>SECTION: 15</b>
<b>DATE:</b> February 13, 2020

**RECOMMENDATION**

**FEDERAL SINGLE AUDIT FINANCIAL REPORTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**ACTION REQUESTED**

It is recommended that the Board of Regents receive and place on file the Federal Single Audit Financial Reports for the year ended June 30, 2019.

**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 Michigan University's independent auditor, conducted the audit and provided their opinion. In their opinion, the University 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, 2019.

On page 5 of their opinion, Plante Moran reported that during the course of their audit they identified one significant deficiency in internal control. This deficiency was related to the University's failure to timely report changes in student enrollment status to the National Student Loan Data System. A similar deficiency was identified in the 2017 & 2018 audit reports. The University has instituted corrective actions for the identified deficiency. Further details regarding the significant deficiency can be found beginning on page 14 of the Supplemental Information report. Plante Moran did not identify any material weaknesses in internal control during 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.

  
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University Executive Officer

*February 13, 2020*  
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Date

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# Eastern Michigan University

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**Federal Awards Supplemental Information**

**June 30, 2019**

**Independent Auditor's Reports**

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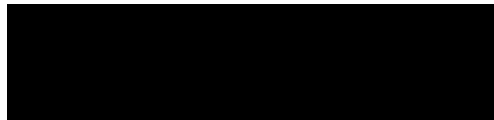
Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

**Independent Auditor's Report**

To the Board of Regents  
Eastern Michigan University

We have audited the financial statements of Eastern Michigan University, a component unit of the State of Michigan, and its discretely presented component unit (the "University") as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon dated October 25, 2019, which contained an unmodified opinion on the 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 25, 2019.

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.



December 18, 2019

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, a component unit of the State of Michigan, and its discretely presented component unit (the "University") as of and for the year ended June 30, 2019 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 25, 2019. 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 the 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 opinion 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.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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*.

To Management and the Board of Regents  
Eastern Michigan University

**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.



October 25, 2019

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required  
by the Uniform Guidance

**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, a component unit of the State of Michigan (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 the University's major federal programs for the year ended June 30, 2019. The 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 the 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 the 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 the University's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the 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 the major federal programs for the year ended June 30, 2019.

**Report on Internal Control Over Compliance**

Management of the 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 the 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.

To the Board of Regents  
Eastern Michigan University

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as Finding 2019-001, that we consider to be a significant deficiency.

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

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.



December 18, 2019



Cluster/Federal Sponsor	Direct/ Passthrough	CFDA	Federal Award ID	Pass-through Agency	Program Title	Subrecipient Amount	Federal Expenditures
<b>Student Financial Aid Cluster</b>							
U.S. Department of Education	Direct	84 268	P268K191630		Direct Loan Stafford	\$ -	\$ 112,524,932
U.S. Department of Education	Direct	84 063	P408A171630/P408A181630		Iraq/Alghanstan fy19 ad year	-	11,221
U.S. Department of Education	Direct	84 379	P379T191630		Teacher Education Assistance for College and Higher Education Grant Program	-	18,698
U.S. Department of Education	Direct	84 033	PD33A182005		CWS Job Locator	-	55,057
U.S. Department of Education	Direct	84 033	PD33A182005		Work-Study Program	-	921,774
U.S. Department of Education	Direct	84 063	PD63P191630		Pell Grant Program	-	27,938,355
U.S. Department of Education	Direct	84 007	PD07A182005		Supplemental Education Opportunity Grants	-	867,602
U.S. Department of Education	Direct	84 038			Perkins Loan	-	6,266,708
U.S. Department of Education Total						-	148,606,847
U.S. Department of Health and Human Services	Direct	93 408	1EOAPH1548-01-00		ARRA - Nurse Faculty Loan Program	-	29,545
U.S. Department of Health and Human Services	Direct	93 264	EO1HP25866		Nurse Faculty Loan Program	-	392,187
U.S. Department of Health and Human Services Total						-	421,732
<b>Total Student Financial Aid Cluster</b>							149,028,579
<b>R&amp;D Cluster</b>							
Environmental Protection Agency	Direct	66 513	MA-91-75101-0		EPA Undergraduate Fellowship - Brett Zeuner	-	306
Environmental Protection Agency Total						-	306
U.S. Department of Transportation	Passthrough	20 514	Subaward 1CRP C-24	National Academies of Sciences Engineering and Medicine	Transit Traction Power Cables Replacement Guidelines (1CRP C-24)	-	8,655
U.S. Department of Transportation Total						-	8,655
National Aeronautics and Space Administration	Direct	43 001	NNX17AF05G		Magnetospheric Ion Temperature Derived from THEMIS/ENA Data Upgrade	13,188	43,056
National Aeronautics and Space Administration	Direct	43 001	NNX17AC87G		Stormtime Plasmapause Locations Derived from IMAGE EUV	-	58
National Aeronautics and Space Administration	Direct	43 008	SUBK00009423		Graduate MSGC Fellowship- Investigating Radio Wave Reflection caused by Plasma Sheaths	-	5,000
National Aeronautics and Space Administration	Passthrough	43 001	NONE OPERATING SUPPORT	Michigan Space Grant Consortium	EMU Alliance	-	11,933
National Aeronautics and Space Administration	Passthrough	43 001	Subaward 3004072913	University of Michigan	Understanding the effects of solar flares on the upper atmospheres of Mars and Venus	-	33,199
National Aeronautics and Space Administration	Passthrough	43 001	MS011-NASA	Michigan Space Grant Consortium	Michigan Space Grant Fellowships	-	3,000
National Aeronautics and Space Administration	Passthrough	43 001	SUBK00009423	Michigan Space Grant Consortium	Climate Resilience From Youth	-	23,216
National Aeronautics and Space Administration	Passthrough	43 008	SUBK00009423	Michigan Space Grant Consortium	Teacher Training	-	5,000
National Aeronautics and Space Administration Total						13,188	124,462
U.S. Department of Health and Human Services	Direct	93 173	1R21DC016990-02		Lightly Salted: An Otopigenetic Approach to Uncover the Role of Type 1 Cells in Salt Taste Transduction	-	150,789
U.S. Department of Health and Human Services	Direct	93 332	1NAVACA 180130 01-00		Evidence based strategies for navigators in Federally Facilitated Exchange (FFE): Michigan model for left-behind Asian/Pacific American Population	-	101,418
U.S. Department of Health and Human Services	Direct	93 859	R15GM137841-01		Causes and Consequences of Genomic Instability at Fragile Sites	-	131
U.S. Department of Health and Human Services	Direct	93 859	1R15GM124651-01		Complex Genomic Rearrangements by BIR and mmBIR	-	143,127
U.S. Department of Health and Human Services	Direct	93 865	1R01HD095957-01		PediaTrac: Web based measure to screen and track infant/toddler development trajectories	228,565	409,830
U.S. Department of Health and Human Services	Passthrough	93 332	AGREEMENT SIGNED 10/6/17	Midwest Asian Health Association	Cooperative Agreement to Support Navigators in Federally-Facilitated and State Partnership Marketplaces	-	16,454
U.S. Department of Health and Human Services	Passthrough	93 758	E20192357-00	State of Michigan	Michigan Asian American Violence Intervention & Prevention (MI-AAVIP) program	-	22,599
U.S. Department of Health and Human Services	Passthrough	93 866	SUBK00010566 & PD3008126195	University of Michigan	COMMUNITY LIAISON AND RECRUITMENT CORE (of NIH Award to UM)	-	18,316
U.S. Department of Health and Human Services	Passthrough	93 958	PROJECT # 20304	Michigan Department of Community Health	Alzheimer's Education & Research Program 2017	-	(921)
U.S. Department of Health and Human Services Total						228,565	861,513

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2019

Cluster/Federal Sponsor	Direct/ Passthrough	CFDA	Federal Award ID	Pass-through Agency	Program Title	Subrecipient Amount	Federal Expenditures
<b>R&amp;D Cluster (Continued)</b>							
National Science Foundation	Direct	47 049	CNS 1421879		TWE: TTP Option Small: Collaborative: Integrated Smart Grid Analysis for Anomaly Detection	\$ -	\$ 7,050
National Science Foundation	Direct	47 074	1456978		Collaborative Research: Algal Photosynthetic Pumping and Photolysis as Stimulators of Ecosystem-Level Detrital Processing by Microbial Heterotrophs	-	46,466
National Science Foundation	Direct	47 074	MCB 1715492		Collaborative Research: Molecular and Structural Mechanism of Histone binding by the epigenetic regulator UHRF2	-	111,812
National Science Foundation	Direct	47 074	1755227		Collaborative Research: RUI: Social modulation of migratory timing and endocrine mechanisms of migrations of two flexible migrants	-	10,066
National Science Foundation	Direct	47 074	1457589		RUI: SG: A Model System in a Model Region: Identification of Evolutionary Processes Driving Plant Diversification on Madagascar in <i>Metastrobiscus</i> (Mahaceae)	-	17,086
National Science Foundation	Direct	47 074	MCB 1613653		RUI: Scaffold or Assembly Line: How Does Atg11 Organize its Binding Partners for the Initiation of Selective Autophagy?	-	52,673
National Science Foundation	Direct	47 076	DRL 1433712		Collaborative Project: GIS Resources and Applications for Career Education (GRACE)	25,606	242,555
National Science Foundation	Direct	47 076	DUE 1726252		Collaborative Research: Mathematics of Doing: Understanding Learning and Educating for Secondary Schools	-	72,403
National Science Foundation	Passthrough	47 049	3004630678	University of Michigan	Electric fields, shock fronts and structures in laser induced magnetized plasmas	-	23,803
National Science Foundation	Passthrough	47 076	RC105254EMU	Michigan State University	Social Capital and Mentoring: Building a Diverse Workforce for Earth Systems Science in the 21st Century	-	13,339
National Science Foundation	Passthrough	47 076	2016-1771-02	North Carolina State University	Enhancing Statistics Teacher Education with E-Modules [ESTEEM]	-	33,303
National Science Foundation	Passthrough	47 076	175939/830R616	University of Wisconsin	Urban STEM Stewards Expanding Career Interests through Citizen Science with Community Partners	-	44,957
<b>National Science Foundation Total</b>						<b>25,606</b>	<b>670,513</b>
U.S. Department of Defense	Direct	12 RD	W912HQ-16-C-0040		Non-Isocyanate Polyurethane Platform for Sustainable and Advanced Rain Erosion Resistant Coatings	-	128,048
<b>U.S. Department of Defense Total</b>						-	<b>128,048</b>
U.S. Department of Education	Passthrough	84 351	U351D140054	School District of the City of River Rouge	Thinking like an Artist in Core Curriculum Subjects	-	19,585
U.S. Department of Education	Passthrough	84 351	Sub of U351D140054	School District of the City of River Rouge	Thinking like an Artist in Core Curriculum Subjects Year 4	-	75,459
<b>U.S. Department of Education Total</b>						-	<b>95,044</b>
U.S. Department of Interior	Passthrough	15 904	Contract signed 07-22-2017	Wheeling Historic Landmarks Commission	Early Dwellings of North Wheeling Intensive Survey	-	1,919
U.S. Department of Interior	Passthrough	15 904	AGREEMENT DTD 3/9/18	Wheeling Historic Landmarks Commission	Early Dwellings of North Wheeling Intensive Survey Phase II	-	19,739
<b>U.S. Department of Interior Total</b>						-	<b>21,658</b>
<b>Total Research and Development Cluster</b>						<b>267,359</b>	<b>1,910,199</b>
<b>Child Nutrition Cluster</b>							
U.S. Department of Education	Passthrough	10 559	2018 LUB SUMMER FOOD PGM	Michigan Department of Education	Upward Bound - MDE 2018 Summer Food Program	-	9,196
<b>Total Child Nutrition Cluster</b>						-	<b>9,196</b>

Cluster/Federal Sponsor	Direct/ Passthrough	CFOA	Federal Award ID	Pass-through Agency	Program Title	Subrecipient Amount	Federal Expenditures
<b>Trio Cluster</b>							
U.S. Department of Education	Direct	84-042	P04A111313		Eastern Michigan University SSS TRIO for Regular Students	\$ -	\$ 232,416
U.S. Department of Education	Direct	84-042	P042A151548		Eastern Michigan University SSS TRIO for Veterans	-	169,748
U.S. Department of Education	Direct	84-047	P047A170374		Upward Bound renewal for 2017-2022	-	510,669
U.S. Department of Education	Direct	84-217	P217A170037		EMU Ronald McKean Program 17-22	-	216,861
<b>Total Trio Cluster</b>							<b>1,129,694</b>
<b>Total Clusters</b>						<b>267,359</b>	<b>152,075,168</b>
<b>Other Federal Awards</b>							
Environmental Protection Agency	Passthrough	66-958	2007-1756	Great Lakes Fishery Trust	Southeast Michigan Stewardship Coalition, GLFT Continuation 5, SEMS 2017-2019	-	53,378
<b>Environmental Protection Agency Total</b>							<b>53,378</b>
National Endowment for the Humanities	Direct	45-163	AQ 248261 06		NEH Enduring Questions Course on Arts & Scientific Discovery	-	25
<b>National Endowment for the Humanities Total</b>							<b>25</b>
U.S. Department of Health and Human Services	Direct	93-602	90CI0830-01-01		Building Assets, Building Futures - An Assets for Independence Project for Participants in a Family Empowerment Program in Ypsilanti, MI	-	2,710
U.S. Department of Health and Human Services	Direct	93-738	1NUS8PD06590-01-00		Evidence-based strategies to empower Asian-Americans in reducing health disparities	-	366,423
U.S. Department of Health and Human Services	Passthrough	93-283	E20180510-00	State of Michigan	A Culturally Sensitive Linguistically Appropriate Intervention for Outreach and Increase CRC Screening Among Asian Americans in Michigan - 2018	-	22,098
U.S. Department of Health and Human Services	Passthrough	93-310	HCM EMU 2018-1	Asian & Pacific Islander American Health Forum	All of Us Community Outreach, Education and Communication Campaign	-	3,875
U.S. Department of Health and Human Services	Passthrough	93-674	YIT18 81001	State of Michigan	Magic - Independent Skills for Living	-	98,359
U.S. Department of Health and Human Services	Passthrough	93-788	C19011.1	Community Mental Health Partnership of Southeast Michigan	Prime for Life	-	378
U.S. Department of Health and Human Services	Passthrough	93-959	CONTRAC181614	Community Mental Health Partnership of Southeast Michigan	Communities That Care (YR 2)	-	(2,272)
U.S. Department of Health and Human Services	Passthrough	93-959	CMHPSM Contract #2902	Community Mental Health Partnership of Southeast Michigan	Prevention Peer Educator	-	10,194
U.S. Department of Health and Human Services	Passthrough	93-959	CMHPSM Contract #C19011	Community Mental Health Partnership of Southeast Michigan	Prevention Theatre Collective 2019	-	59,396
U.S. Department of Health and Human Services	Passthrough	93-800	E20190830-00	State of Michigan	A Culturally Sensitive Linguistically Appropriate Intervention for Outreach and Increase CRC Screening Among Asian Americans in Michigan - 2019	-	16,147
<b>U.S. Department of Health and Human Services Total</b>							<b>677,648</b>
U.S. Department of Commerce	Direct	11-429	W616N054230193		Great Lakes Literacy in Action - Connecting Students to their Watersheds in SE Michigan Through Place-Based Education	-	45,821
<b>U.S. Department of Commerce Total</b>							<b>45,821</b>
National Security Agency	Direct	12-901	H88230-12-1-0575		Information Assurance High School Cyber Security Competition	-	5,500
<b>National Security Agency Total</b>							<b>5,500</b>

Cluster/Federal Sponsor	Direct/ Passthrough	CFDA	Federal Award ID	Pass-through Agency	Program Title	Subrecipient Amount	Federal Expenditures
<b>Other Federal Awards (Continued)</b>							
U.S. Department of Agriculture	Direct	10 217	2016-70003 27653		Strengthening student readiness for internships and the workforce via Fermentation Science curriculum development and implementation	\$ -	\$ 17,593
U.S. Department of Agriculture	Passthrough	10 558	17-18 CHLD AND ADULT FOOD	Michigan Department of Education	MI DoE 17-18 Child and Adult Food Care Program	-	16,950
U.S. Department of Agriculture	Passthrough	10 558	18-19 CHLD AND ADULT FOOD	Michigan Department of Education	MI DoE 18-19 Child and Adult Food Care Program	-	47,791
U.S. Department of Agriculture	Passthrough	10 310	Letter from S Colby	University of Tennessee	Get Frured: A peer-led, train-the-trainer social marketing intervention to increase fruit and vegetable intake and prevent childhood obesity	-	1,559
<b>U.S. Department of Agriculture Total</b>							<b>78,893</b>
U.S. Department of Education	Direct	84 031	P031A140166-17		Strengthening the STEM Curriculum at Eastern Michigan University by Institutionalizing the CSE Program	-	291,927
U.S. Department of Education	Direct	84 365	T3652160111		WRITELL - Writing Research Intervention in Teaching English Language Learners	-	661,072
U.S. Department of Education	Direct	84 048	PROGRAM INCOME		Michigan Business Professionals of America (BPA) Continuation 2015-2016	-	92,254
U.S. Department of Education	Direct	84 048	PROGRAM INCOME		Michigan DECA Continuation - 2015-2016	-	165,885
U.S. Department of Education	Direct	84 048	PROGRAM INCOME		Michigan Family, Career & Community Leaders of America (FCCCLA) Continuation - 2015-2016	-	24,877
U.S. Department of Education	Direct	84 048	PROGRAM INCOME		Michigan Skills USA continuation 2015-2016	-	91,486
U.S. Department of Education	Direct	84 411	92-MOI-201713AI		13 Scale Up - Expanding the College-Ready Writers Program	-	249
U.S. Department of Education	Direct	84 411	92-MOI-201813C3WP		NWP v3 Upper Elementary Advanced Institute	-	8,456
U.S. Department of Education	Direct	84 411	92-MOI-201813C3WP		Site NWP v3 - Rural Schools Professional Development	-	59,368
U.S. Department of Education	Passthrough	84 048	183430-18132	Michigan Department of Education	2017-18 MOE DECA	-	(17,608)
U.S. Department of Education	Passthrough	84 048	183430-18136	Michigan Department of Education	2017-18 MOE Michigan Skills USA	-	(16,889)
U.S. Department of Education	Passthrough	84 048	183430-18131	Michigan Department of Education	2017-18 MOE BPA	-	(16,734)
U.S. Department of Education	Passthrough	84 048	183430-18134	Michigan Department of Education	CDPF/MDE: 17-18 MI FCCCLA Family, Career & Community	-	(2,641)
U.S. Department of Education	Passthrough	84 048	192430-19132	Michigan Department of Education	CDPF/MDE: 18-19 MI DECA	-	60,004
U.S. Department of Education	Passthrough	84 048	192430-19132	Michigan Department of Education	CDPF/MDE: 2018-19 FCCCLA	-	42,977
U.S. Department of Education	Passthrough	84 048	192430-19136	Michigan Department of Education	CDPF/MDE: 2018-19 MI Skills USA	-	60,987
U.S. Department of Education	Passthrough	84 048	192430-19133	Michigan Department of Education	MDE BPA 2018-2019	-	61,206
U.S. Department of Education	Passthrough	84 287	182110-114007	Michigan Department of Education	21st CCLC Cohort 1 one Year 4 2017-2018 Bright Futures	-	58,361
U.S. Department of Education	Passthrough	84 287	182110-114003	Michigan Department of Education	21st CCLC Cohort 1 two Year 4 2017-2018 Bright Futures	-	(24,041)
U.S. Department of Education	Passthrough	84 287	182110-117010	Michigan Department of Education	21st CCLC Cohort 1 Year 1 2017-2018 Bright Futures	-	8,197
U.S. Department of Education	Passthrough	84 287	182110-117010	Michigan Department of Education	21st CCLC Cohort 1 Year 2 2018-2019 Bright Futures	-	646,185
U.S. Department of Education	Passthrough	84 287	192110-114013	Michigan Department of Education	21st CCLC Cohort 1 two Year 5 2018-2019 Bright Futures	-	591,206
U.S. Department of Education	Passthrough	84 287	192110-114007	Michigan Department of Education	21st Century CCLC Cohort 1 one Year 5 2018-2019 Bright Futures	-	601,973
U.S. Department of Education	Passthrough	84 287	192110-1181603	Michigan Department of Education	21st Century Community Learning Center (CCLC) Bright Futures Cohort K1	-	632,023
U.S. Department of Education	Passthrough	84 287	202110-1181603	Michigan Department of Education	21st Century Community Learning Center (CCLC) Bright Futures Cohort K1 YR2	-	28
U.S. Department of Education	Passthrough	84 287	192110-1181602	Michigan Department of Education	21st Century Community Learning Centers (CCLC) Bright Futures Cohort K2	-	651,928
U.S. Department of Education	Passthrough	84 334	P3345110025-17	Michigan Department of Labor-Labor and Economic Growth	Gear Up	-	45,005
U.S. Department of Education	Passthrough	84 334	P3345110025-17	Michigan Department of Labor-Labor and Economic Growth	Gear Up 2019	-	8,588
U.S. Department of Education	Passthrough	84 367	92-MOI-SEED2019-REGIONAL	National Writing Project	Expanding the Reach of Everyday Advocacy	-	220
U.S. Department of Education	Passthrough	84 411	92-MOI-2019-13C3WP	National Writing Project	v3 CSWP Professional Development Grant	-	5,007
<b>U.S. Department of Education Total</b>							<b>4,793,771</b>

Cluster/Federal Sponsor	Direct/ Passthrough	CFDA	Federal Award ID	Pass-through Agency	Program Title	Subrecipient Amount	Federal Expenditures	
<b>Other Federal Awards (Continued)</b>								
US Department of Homeland Security	Passthrough	97 127	NCERC 13-0211	Cyber Innovation Center	Cyber Discovery: Professional Development for High School Teachers through Student-Catalyst Teams - Implementation	\$ -	\$ 871	
<b>US Department of Homeland Security Total</b>							<b>\$ -</b>	<b>\$ 871</b>
U S Small Business Development Center	Direct	59 017	PROGRAM INCOME		2018 Region 9 SBDC Program Income	-	39,473	
U S Small Business Development Center	Passthrough	59 017	PO#SBAOH00059	Grand Valley State University	Small Business Development Center (SBDC) Host 2019	8,867	199,585	
U S Small Business Development Center	Passthrough	59 017	PO#SBAOH0012	Grand Valley State University	Small Business Development Center (SBDC) Host, 2018	29,798	279,572	
<b>Small Business Development Centers Total</b>							<b>38,665</b>	<b>519,030</b>
<b>Total Other Federal Award Cluster</b>							<b>38,665</b>	<b>6,074,637</b>
<b>Grand Total</b>							<b>\$ 306,024</b>	<b>\$ 158,148,805</b>

## Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2019

### Note 1 - Basis of Presentation

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, 2019. The information in the 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 the University, it is not intended to and does not present the financial position, changes in net position, or cash flows of the University.

### Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the same basis of accounting as the basic financial statements. Such expenditures are recognized following 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 minimis* 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 - Adjustments and Transfers

As allowable and in accordance with federal regulations issued by the U.S. Department of Education, during the year ended June 30, 2019, Eastern Michigan University carried forward \$51,802 and \$48,891 of Federal Supplemental Education Opportunity Grant Program (84.007) and Federal Work-Study Program (84.033) funds, respectively, from 2018-2019 to 2019-2020. In addition, the University carried forward \$20,665 of Federal Work-Study Program funds from 2017-2018 funds that were spent in 2018-2019.

### Note 4 - Loans Balances

During the fiscal year ended June 30, 2019, 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.

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, 2019 amounted to \$5,237,260. The balance of the loans outstanding for the Nurse Faculty Loan Program (non-ARRA) and the Nurse Faculty Loan Program (ARRA) was \$285,670 and \$28,954, respectively, as of June 30, 2019.

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## Schedule of Findings and Questioned Costs

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**Schedule of Findings and Questioned Costs**

**Year Ended June 30, 2019**

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

Noncompliance material to financial statements noted?        Yes   X   None reported

**Federal Awards**

Internal control over major programs:

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

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?   X   Yes        No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster	Opinion
84.007, 84.033, 84.038, 84.063, 84.268, 84.379, 93.264, and 93.408 84.287	Student Financial Assistance Cluster 21st Century Community Learning Centers	Unmodified Unmodified

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

Auditee qualified as low-risk auditee?   X   Yes        No

**Section II - Financial Statement Audit Findings**

**Current Year**    None



Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2019

Section III - Federal Program Audit Findings

Reference Number	Finding
2019-001	<p><b>CFDA Number, Federal Agency, and Program Name</b> - Student Financial Assistance Cluster - Department of Education - Federal Direct Student Loan Program (CFDA #84.268) and Federal Pell Grant Program (CFDA #84.063)</p> <p><b>Federal Award Identification Number and Year</b> - 2019-001</p> <p><b>Pass-through Entity</b> - None</p> <p><b>Finding Type</b> - Significant deficiency</p> <p><b>Repeat Finding</b> - Yes</p> <p><b>Criteria</b> - As required in 34 CFR 685.309(b)(2), institutions must report enrollment changes to the National Student Loan Data System (NSLDS) for students who received Title IV funds within 60 days of the date the change in enrollment status was determined to have occurred.</p> <p><b>Condition</b> - Students were identified whose enrollment status changes were reported outside the required time frame.</p> <p><b>Questioned Costs</b> - None</p> <p><b>Context</b> - Of 40 enrollment status changes tested, 2 students' status changes were not reported within the 60-day requirement to NSLDS. One student unofficially withdrew and one student officially withdrew from the University in the winter semester.</p> <p><b>Cause and Effect</b> - There were two issues related to reporting of enrollment status:</p> <ol style="list-style-type: none"> <li>1) The first issue relates to a student who unofficially withdrew from the winter semester. The student was included on a report run to identify all students who unofficially withdrew; however, since this is a manual process, a clerical error occurred whereby the University failed to verify proper reporting for this student.</li> <li>2) The second issue relates to a student who officially withdrew from the winter semester. The student was reported to the National Student Clearinghouse (NSC), which submits batch reports to the NSLDS for enrollment reporting, by the University, but NSC had two students on file with the affected student's social security number. Therefore, NSC did not submit this student to NSLDS and instead sent the data back to EMU as an error file needing corrections. EMU personnel submitting the batch uploads to NSC did not act on the error report that was returned. As such, NSLDS was never properly updated with this student's proper enrollment status.</li> </ol> <p><b>Recommendation</b> - The University should implement procedures and controls to ensure student status changes are reported accurately and within the required time frame.</p> <p><b>Views of Responsible Officials and Corrective Action Plan</b> - We agree. With any manual process, there is always a risk for clerical error. Moving forward, the employee charged with updating NSLDS for students who unofficially withdraw from the University will take more time to ensure all updates are made and will perform a check to verify accuracy. In addition, as previously discovered, error reports from NSC were not being reviewed or corrected in Records &amp; Registration (R &amp; R). A new employee responsible for this area in Records &amp; Registration brings with her extensive NSC experience. In collaboration with the Office of Financial Aid, R &amp; R will identify all error reports from NSC transmissions and complete the necessary steps to resolve them.</p>

December 18, 2019

To Mr. Michael Valdes, CFO  
Eastern Michigan University  
101 Welch Hall  
Ypsilanti, MI 48197

Dear Mr. Valdes:

Enclosed are your annual single audit report and documents for the year ended June 30, 2019.

To assist you in determining the distribution requirements of your annual reports, we have summarized the filing requirements below. In general, please ensure that the financial statements are included with any distributions of the single audit report.

The single audit report package (as referred to below) includes the following:

- Financial statements
- Single audit report
- Summary schedule of prior audit findings prepared by Eastern Michigan University
- Corrective action plan prepared by Eastern Michigan University

**Single audit filing requirements:**

- We are in the process of preparing the data collection form on your behalf.
- Before your data collection form can be certified and submitted to the FAC, you will need to prepare a corrective action plan and summary schedule of prior year audit findings on your organization's letterhead. A corrective action plan should address each audit finding included in the current year single audit report. It must provide the finding reference number, name(s) of the contact person(s) responsible for corrective action, the corrective action planned, and the anticipated completion date. The summary schedule of prior audit findings should address each prior year finding. It must provide/identify the prior year finding reference number, fiscal year in which the finding initially occurred, CFDA number, program name, a description of the original finding, the status of the finding (e.g., corrected, partially corrected, or unresolved), and the planned corrective action if the finding has not been corrected. If you have not already done so, please provide us with this corrective action plan and summary schedule of prior audit findings, on letterhead, as soon as possible to include in the uploaded reporting package to the FAC.
- We will upload the entire reporting package electronically to the FAC. You no longer need to send any hard copies of the reports to the clearinghouse.
- You will need to electronically certify the single audit data collection form. You will receive an automated email from the clearinghouse with certification instructions. In order to certify, you will need to ensure the certifying official at your organization has set up a personal account within the Internet Data Entry System (IDES) being used by the FAC for these data collection form filings.

**Additional filing requirements for public colleges and universities:**

- One copy of the financial statements and single audit report will be provided to you in PDF format to include in your U.S. Department of Education eZ-Audit online filing. Please let us know if you would like us to email these PDF files to you or if you would like us to post to eZ-Audit directly. Please note we can only do the latter option if you have already provided a Plante & Moran, PLLC representative with access and a password.
- Additional copies of the single audit report package should also be mailed to those State of Michigan departments and/or agencies designated in your state funding bill.

**Securities and Exchange Commission:**

Please be advised that, because you have issued bonds after July 1, 1995, you may be required to submit information, including your annual financial statements, to the Municipal Securities Rulemaking Board (MSRB). Submissions must be made electronically in PDF format to the Electronic Municipal Market Access (EMMA) system ([www.emma.msrb.org](http://www.emma.msrb.org)). In addition, you are obligated to provide continuing disclosure documents to a State Information Depository (SID) if required by applicable state law or by an outstanding continuing disclosure agreement in effect prior to July 1, 2009. The SID for Michigan is:

Municipal Advisory Council of Michigan  
Buhl Building - 535 Griswold, Suite 1850  
Detroit, MI 48226-3699

In addition to the report submission requirement, it is also likely that your bond documents (either the bond awarding resolution or the bond official statement) may have committed you to make additional nonfinancial disclosures (such as population, taxable valuation, millage rates, and other demographic data). As a result, there may be additional information required to be sent to the above repositories (which will also have a due date - often 180 days after year end). Please contact your bond financial advisors to determine if these disclosure requirements apply to you. If you, your bond counsel, or financial advisors need assistance in supplying the appropriate information, please contact us.

Thank you for the opportunity to serve as your auditors. Please contact us if you have any questions regarding these filing requirements.

Very truly yours,

**Plante & Moran, PLLC**