

Grand Valley State University

**Federal Awards
Supplemental Information
June 30, 2002**

Grand Valley State University

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Independent Auditor's Report

To the Board of Trustees
Grand Valley State University

We have audited the general purpose financial statements of Grand Valley State University for the year ended June 30, 2002 and have issued our report thereon dated August 27, 2002. Those general purpose financial statements are the responsibility of the management of Grand Valley State University. Our responsibility was to express an opinion on those general purpose 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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 made for the purpose of forming an opinion on the general purpose financial statements of Grand Valley State 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 general purpose financial statements. The information in this schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Plante & Moran, PLLC

August 27, 2002

Report Letter on Compliance with Laws and Regulations and Internal Control - General Purpose Financial Statements

To the Board of Trustees
Grand Valley State University

We have audited the financial statements of Grand Valley State University as of and for the year ended June 30, 2002 and have issued our report thereon dated August 27, 2002. 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.

Compliance

As part of obtaining reasonable assurance about whether Grand Valley State University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Grand Valley State University's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

To the Board of Trustees
Grand Valley State University

This report is intended solely for the information and use of the Board of Trustees, management, 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.

Plante & Moran, PLLC

August 27, 2002

Report Letter on Compliance with Laws and Regulations and
Internal Control - Major Federal Awards

To the Board of Trustees
Grand Valley State University

Compliance

We have audited the compliance of Grand Valley State University with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2002. The major federal programs of Grand Valley State 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 Grand Valley State University's management. Our responsibility is to express an opinion on Grand Valley State 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 Grand Valley State 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 Grand Valley State University's compliance with those requirements.

In our opinion, Grand Valley State University complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002.

To the Board of Trustees
Grand Valley State University

Internal Control Over Compliance

The management of Grand Valley State 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 Grand Valley State 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.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Trustees, management, 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.

Plante & Moran, PLLC

September 13, 2002

Grand Valley State University

Schedule of Expenditures of Federal Awards Year Ended June 30, 2002

Program Title/Project Number/Subrecipient Name	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Clusters:			
Student Financial Aid Cluster:			
U.S. Department of Education - Direct programs:			
William D. Ford Direct Loan Program	84.268	P268K011378	\$ 46,904,463
Federal Supplemental Education Opportunity Grant Program	84.007	P007A42012	1,303,322
Federal Work Study Program	84.033	P033A42012	1,157,084
Federal Perkins Loan Program	84.038	P038A52012	2,158,589
Federal Pell Grant Program	84.063	P063P33265/43265	<u>7,796,906</u>
Total Student Financial Aid Cluster			59,320,364
TRIO Cluster:			
U.S. Department of Education - Direct programs:			
TRIO - Upward Bound	84.047	PO47A20464	306,561
TRIO - Upward Bound Math/Science	84.047	PO47M20031	273,842
TRIO - Student Support Services	84.042	P044A10252/40497	282,858
TRIO - Talent Search/Educational Support	84.044	P042A30792	286,048
TRIO - Ronald E. McNair Post-Baccalaureate Achievement Program	84.217	P217A50004	<u>238,326</u>
Total TRIO Cluster			1,387,635
Research and Development Cluster:			
Environmental Protection Agency - Direct programs:			
White Lake Phase II	66.469		11,206
Lake Macatawa	66.469		15,979
EPA Tour 2001	66.unknown		38,364
Passed through Environmental Protection Agency:			
Kent Co. Septage	66.460		81,720
Lake MI Tributary Monitor	66.unknown		479
Passed through the Michigan Dept. of Environmental Quality:			
Rogue River CMI	66.unknown		15,708
Stormwater 319 Project	66.unknown		76,937
Muskegon 319 Project	66.unknown		108,289
Rogue River I & E	66.unknown		45,502
Coastal Habitat	11.unknown		<u>14,437</u>
Total Environmental Protection Agency			408,621

Grand Valley State University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2002

Program Title/Project Number/Subrecipient Name	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Clusters (Continued):			
Research and Development Cluster (Continued):			
National Aeronautics and Space Administration -			
Passed through Michigan Space Grant Consortium:			
Chinoski	43.unknown		\$ 3,000
Meyers	43.unknown		4,134
Seed Mekik	43.unknown		8,000
Seed Staves	43.unknown		161
Mattox Pre-college	43.unknown		1,495
Joseph Pre-college	43.unknown		1,705
PCHE Joseph	43.unknown		9,843
Mattox	43.unknown		8,066
Beckman	43.unknown		4,650
Matchett	43.unknown		223
Special Initiative Beckman	43.unknown		10,643
Management	43.unknown		2,779
PC Dill	43.unknown		2,673
Globe Implementation	43.unknown		18
GLOBE Surface Ozone	43.unknown		<u>7,450</u>
Total National Aeronautics and Space Administration			64,840
National Science Foundation:			
Powre Aquatic Education	47.076		9,525
Raytheon Subcontract	47.unknown	KLOOA90004801	267
CCLI Smart	47.076		32,424
Erickson Grant Botanical Sciences	47.074		37,829
Eligon Year I (Subcontract with Texas Tech University)	47.076	DUE-9981031	35,206
Research Experience for Undergraduates	47.049		28,711
Garrett/STE Education and Human Resources	47.076		6,141
NSF Grissom	47.076		15,011
NSF CSEMS Rogness 01	47.076		1,218
NSF Weber Caribbean	47.050		13,125
Passed through the National Science Foundation:			
Shared Representation with Loyola University:			
Social, Behavioral, and Economic Sciences	47.075	SBR-09730822	1,434
UNC Grissom	47.070		30,780

Grand Valley State University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2002

Program Title/Project Number/Subrecipient Name	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Clusters (Continued):			
Research and Development Cluster (Continued):			
National Science Foundation (Continued):			
Passed through the University of Michigan:			
Great Lakes Fisheries Trust	47.074		\$ 69,646
Mega Model Year 2	47.unknown		21,973
PCB Fish Subcontract	47.unknown		<u>1,273</u>
Total National Science Foundation			304,563
U.S. Corps of Engineers - LMPDS	12.unknown		23,572
U.S. Corps of Engineers - Ruddiman Cree	12.unknown		<u>193</u>
Total National Science Foundation			23,765
U.S. Department of Health and Human Services - Nieuwkoop HS DHHS 98	93.390		<u>16,905</u>
Total Research and Development Cluster			818,694
U.S. Small Business Administration:			
Michigan Small Business Development Center State Office '01	59.037		1,563,588
Michigan Small Business Development Center Headquarters	59.037		754,439
Michigan SBDC State Office Admin '01	59.037		106,980
Region 7 SBDC Federal Funds	59.037		62,313
Fast Federal Funds	59.000		<u>49,387</u>
Total U.S. Small Business Administration			2,536,707
U.S. Department of Housing and Urban Development - Direct Debt Grant Service Payment	14.unknown		126,304
Corporation for National and Community Service - Passed through Michigan Campus Compact:			
MCC/PG Partner	94.005		30,677
CSD Fellowship	94.005		<u>1,079</u>
Total Corporation for National and Community Service			31,756
National Endowment for Humanities	45.160		24,000

Grand Valley State University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2002

Program Title/Project Number/Subrecipient Name	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Education:			
I-Team 2000-2002	84.153		\$ 69,477
High-risk drinking	84.184		147,747
School-wide	84.324		34,104
CAMPIS Grant	84.335		31,216
Passed through the State of Michigan Department of Education:			
Idea CSPG Grant	84.181		47,867
SCI CTR North	84.186		61,452
IKE - BSL	84.281	PL103-761ESEA	31,472
Visions - IKE 2002	84.281		35,147
Math PD	84.281		32,954
Middle Grades - BSL	84.281		<u>24,915</u>
Total U.S. Department of Education			516,351
U.S. Department of Health and Human Services:			
Nursing Traineeship - Direct	93.358		88,860
Federal Disadvantaged Students	93.342		47,539
NIH Bridges Grant	93.960		14,187
Reading 2000 - Direct	93.865		42,793
Passed through the State of Michigan Family Independence Agency Child Welfare			
	93.658		<u>144,344</u>
Total U.S. Department of Health and Human Services			337,723
U.S. Department of Agriculture - Passed through the University of Wisconsin - Summer Forest Service Program - Trier			
	10.664		7,391
U.S. Department of Transportation - Passed through the State of Michigan MDOT Grant			
	20.920		<u>36,926</u>
Total federal awards			<u>\$ 65,143,851</u>

Grand Valley State University

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2002

Note 1 - Significant Accounting Policies

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Grand Valley State University and is presented on the same basis of accounting as the general purpose financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

Note 2 - Loans Outstanding

The amount presented for Federal Perkins Loans represents the new loans advanced during the year ended June 30, 2002 of \$2,158,589. Loan balances outstanding of \$10,369,098 at June 30, 2002 include \$8,210,509 for the balance of loans from previous years for which the government imposes continuing compliance requirements. The reported expenditures also include administration and collection costs. Federal capital contributions for Federal Perkins Loans were \$121,226 and the University's capital contributions were \$40,409 during the year ended June 30, 2002.

Outstanding loans under the Nursing Student Loan Program were \$53,343 at June 30, 2002. There were no federal capital contributions for this program during the year ended June 30, 2002.

The University originates but does not provide the funding for Federal Direct Loans (FDLs). The amount presented represents the value of new FDLs awarded by financial institutions during the year.

Note 3 - Federal Work Study

As allowable and in accordance with federal regulations issued by the U.S. Department of Education, the University spent Federal Work Study dollars based on the current year award of \$1,051,897 adjusted for amounts spent into prior and subsequent award years and amounts transferred to Federal Supplemental Employment Opportunity Grants spending. The Federal Work Study expenditures for the year ended June 30, 2002 are adjusted for \$105,190 of the 2001 award, spent in the current year. The Federal Work Study expenditures are also adjusted for \$220,000 transferred to and spent in the Federal Supplemental Employment Opportunity Grants.

Grand Valley State University

Schedule of Findings and Questioned Costs Year Ended June 30, 2002

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
- Reportable condition(s) 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 program(s):

- Material weakness(es) identified? Yes No
- Reportable condition(s) identified that are not considered to be material weaknesses? Yes None reported

Type of auditor's report issued on compliance for major program(s): 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 program(s):

CFDA Numbers	Name of Federal Program or Cluster
84.268, 84.007, 84.033, 84.038, 84.063	Student Financial Aid Cluster
66.469, 66.unknown, 43.unknown, 47.076, 47.unknown, 47.075, 47.070, 47.074, 47.049, 12.unknown, 93.390, 47.050, 11.unknown, 66.460	Research and Development Cluster

Dollar threshold used to distinguish between type A and type B programs: \$544,516

Auditee qualified as low-risk auditee? Yes No

Grand Valley State University

Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2002

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Audit Findings

None