

Grand Valley State University

**Federal Awards
Supplemental Information
June 30, 2003**

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 basic financial statements of Grand Valley State University for the year ended June 30, 2003, and have issued our report thereon dated August 27, 2003. Those basic financial statements are the responsibility of the management of Grand Valley State University. Our responsibility was to express an opinion on those basic financial statements based on our audit.

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

Our audit was made for the purpose of forming an opinion on the basic 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 basic financial statements. The information in this schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Plante & Moran, PLLC

August 27, 2003



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Report Letter on Compliance with Laws and Regulations and Internal Control - Basic 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, 2003, and have issued our report thereon dated August 27, 2003. 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, 2003



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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, 2003. 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, 2003.

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

October 8, 2003

Grand Valley State University

Schedule of Expenditures of Federal Awards Year Ended June 30, 2003

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	\$ 53,579,220
Federal Supplemental Education Opportunity Grant Program	84.007	P007A42012	1,303,322
Federal Work Study Program	84.033	P033A42012	1,051,897
Federal Perkins Loan Program	84.038	P038A52012	2,066,697
Federal Pell Grant Program	84.063	P063P33265/43265	<u>9,485,402</u>
Total Student Financial Aid Cluster			67,486,538
TRIO Cluster - U.S. Department of Education -			
Direct Programs:			
TRIO - Upward Bound	84.047	PO47A20464	382,585
TRIO - Upward Bound Math/Science	84.047	PO47M20031	299,068
TRIO - Student Support Services	84.042	P044A10252/40497	303,007
TRIO - Educational Connections	84.044	P042A30792	267,738
TRIO - Ronald E. McNair Post-Baccalaureate Achievement Program	84.217	P217A50004	<u>251,608</u>
Total TRIO Cluster			1,504,006
Research and Development Cluster:			
Environmental Protection Agency - Direct Programs:			
White Lake Phase II	66.469		46,632
Lake Macatawa	66.469		16,517
Muskegon Transition	66.460		55,476
EPA Tour 2002	66.606		13,918
Passed through Grand Valley Metro Council			
Lower Grand River	66.460		31,448
Passed through Michigan State University			
Depressional Wetlands	66.unknown		24,868
Passed through the Michigan Dept. of Environmental Quality:			
Kent Co. Septage	66.460		(8,050)
Stormwater 319 Project	66.460		8,720
Muskegon 319 Project	66.460		21,140
Rogue River I & E	66.460		<u>50,556</u>
Total Environmental Protection Agency			261,225
National Aeronautics and Space Administration -			
Passed through Michigan Space Grant Consortium:			
Meyers	43.unknown		9,532
Seed Staves	43.unknown		2,162
PCHE Joseph	43.unknown		3,248

Grand Valley State University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2003

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:			
Mattox	43.unknown		\$ 5,832
Beckman	43.unknown		4,012
PC Dill	43.unknown		4,900
Globe Implementation	43.unknown		3,732
S02 MSGC Management	43.unknown		2,489
MSGC S03 Sturgeon	43.unknown		2,857
MSGC S03 Rice	43.unknown		1,214
S02 UG Fellowship	43.unknown		6,857
S02 PC Reffeor	43.unknown		1,413
Biddanda Space Grant	43.unknown		2,738
MSGC Matchett	43.unknown		380
Vail MSGC 2003	43.unknown		<u>3,883</u>
Total National Aeronautics and Space Administration			55,249
National Science Foundation:			
NSF Grissom	47.076		33,777
NSF CSEMS Rogness 01	47.076		93,628
NSF Weber Caribbean	47.050		29,715
NSF REU 03-04 Math	47.049		42,486
NSF REU 02-03 Math	47.049		18,517
Passed through Raytheon - Raytheon Subcontract	47.unknown	KLOOA90004801	36
Passed through Texas Tech University - Eligon Year I	47.076	DUE-9981031	82,699
Passed through Loyola University:			
Shared Representation	47.075	SBR-09730822	1,603
Social Sharedness	47.075	SBR-09730822	22,930
Passed through Ohio State University - Relational Concepts	47.076		23,773
Passed through Western Michigan University:			
E3: Middle School Service	47.076		21,413
Math GVSU/WMU - Walker	47.076		34,607
Passed through the University of Michigan:			
Mega Model Year 2	47.unknown		33,593
Mega Model Year 3	47.unknown		15,627
PCB Fish Subcontract	47.unknown		<u>997</u>
Total National Science Foundation			455,401

Grand Valley State University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2003

Program Title/Project Number/Subrecipient Name	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Clusters (Continued):			
Research and Development Cluster (Continued):			
U.S. Department of Health & Human Services:			
Advanced Nursing Traineeship	93.358		\$ 51,353
01-02 Traineeship	93.358		242
Nieuwkoop HS DHHS 98	93.390		4,962
Passed through the University of Pennsylvania -			
Scott-PA Research	93.226		<u>48,597</u>
Total U.S. Department of Health & Human Services			<u>105,154</u>
Total Research and Development Cluster			877,029
Special Education Cluster -			
Passed through the State of Michigan			
Department of Education:			
Resource Center 02-03	84.027		14,810
Start 02-03	84.027		889,376
Conference Start 02-03	84.027		<u>16,049</u>
Total Special Education Cluster			920,235
Other Federal Awards:			
U.S. Small Business Administration:			
Michigan Small Business Development Center Headquarters	59.037		2,940,766
Region 7 SBDC Federal Funds	59.037		122,400
Fast Federal Funds	59.unknown		<u>50,613</u>
Total U.S. Small Business Administration			3,113,779
U.S. Department of Education:			
I-Team 2000-2002	84.153		26,811
I-Team 2003-2005	84.153		853
High-Risk Drinking	84.295		140,007
High-Risk Drinking	84.184		(214)
School-Wide	84.324		30,823
Dreams - NCLB	84.367		25,828
FIE-Urban Teacher Academy	84.215		35,653
CAMPIS Grant	84.335		74,114
Passed through the City University of New York -			
FIPSE Subcontract Amend/Extend	84.116		6,963
Passed through Public Broadcasting Service -			
Ready to Learn - Federal	84.295		28,941
Passed through the State of Michigan -			
Department of Education - Idea CSPG Grant	84.181		252,304

Grand Valley State University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2003

Program Title/Project Number/Subrecipient Name	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Other Federal Awards (Continued):			
U.S. Department of Education (Continued):			
Visions - IKE 2002	84.281		\$ 39,850
Math PD	84.281		56,046
Middle Grades - BSL	84.281		<u>50,086</u>
Total U.S. Department of Education			768,065
U.S. Department of Health and Human Services:			
Federal Disadvantaged Students	93.342		71,319
NIH Bridges Grant	93.960		160,525
Reading 2000 - Direct	93.865		33,017
Passed through the University of Kansas - NIH Lancaster	93.865		11,659
Family Independence Agency:			
FIA 2003	84.215		7,350
Child Welfare	93.658		<u>29,966</u>
Total U.S. Department of Health and Human Services			313,836
U.S. Department of Agriculture:			
USDA Food Program	10.unknown		13,906
USDA Forest Service	10.unknown		35
Michigan Wildlife Habitats	10.664		1,373
Summer Forest Service Program - Trier	10.664		<u>4,495</u>
Total U.S. Department of Agriculture			19,809
U.S. Department of Energy - BioFuel Ed Project	81.079		2,659
U.S. Department of State - UCC Grant	19.unknown		8,473
U.S. Department of Transportation:			
Passed through the MI Office of Highway			
Safety Planning - OHSP Party Patrol	20.600		1,440
Passed through the State of Michigan:			
Newaygo TEA2I	20.unknown		33,820
MDOT Grant	20.920		<u>52,007</u>
Total U.S. Department of Transportation			87,267
U.S. Department of Commerce (DOC-NOAA):			
Coastal Habitats	11.419		29,683
Coastal Habitats Year 2	11.419		<u>12,752</u>
Total U.S. Department of Transportation			42,435
Ford Foundation & National Research Council - Ford Postdoctoral Fellowship	45.unknown		37,000
National Writing Project Corporation - National Writing Project	84.928		<u>7,709</u>
Total Expenditures of Federal Awards			<u>\$ 75,188,840</u>

See Notes to Schedule of
Expenditures of Federal Awards.

Grand Valley State University

Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2003

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 basic 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 basic financial statements.

Note 2 - Loans Outstanding

The amount presented for Federal Perkins Loans represents the new loans advanced during the year ended June 30, 2003 of \$2,066,697. Loan balances outstanding of \$10,170,486 at June 30, 2003 include \$8,103,789 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 were \$121,226 and the University's capital contributions were \$40,409 during the year ended June 30, 2003.

Outstanding loans under the Nursing Student Loan Program were \$77,950 at June 30, 2003. There were no federal contributions for this program during the year ended June 30, 2003.

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 from amounts spent into prior award years and amounts transferred to Federal Supplemental Employment Opportunity Grants spending. The Federal Work Study expenditures for the year ended June 30, 2003 are adjusted for \$191,460 transferred to and spent in the Federal Supplemental Opportunity Grants.

Grand Valley State University

Schedule of Findings and Questioned Costs Year Ended June 30, 2003

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 Number(s)	Name of Federal Program or Cluster
84.268, 84.007, 84.033, 84.038, 84.063	Student Financial Aid Cluster
84.047, 84.042, 84.044, 84.217	Trio Cluster
84.027	Special Education Cluster

- Dollar threshold used to distinguish between type A and type B programs: \$586,288
- Auditee qualified as low-risk auditee? Yes No

Grand Valley State University

Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2003

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Audit Findings

None