

Grand Valley State University

**Federal Awards
Supplemental Information
June 30, 2004**

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, 2004 and have issued our report thereon dated August 27, 2004. 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, 2004



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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, 2004 and have issued our report thereon dated August 27, 2004. 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, 2004



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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, 2004. 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, 2004.

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

August 27, 2004

Grand Valley State University

Schedule of Expenditures of Federal Awards Year Ended June 30, 2004

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	\$ 62,259,401
Federal Supplemental Education Opportunity Grant Program	84.007	P007A42012	1,303,322
Federal Work Study Program	84.033	P033A42012	977,997
Federal Perkins Loan Program	84.038	P038A52012	1,862,043
Federal Pell Grant Program	84.063	P063P33265/43265	<u>10,682,382</u>
Total Student Financial Aid Cluster			77,085,145
TRIO Cluster - U.S. Department of Education - Direct programs:			
TRIO - Upward Bound	84.047	PO47A20464	581,271
TRIO - Upward Bound Math/Science	84.047	PO47M20031	159,761
TRIO - Student Support Services	84.042	P044A10252/40497	275,747
TRIO - Educational Connections	84.044	P042A30792	294,089
TRIO - Ronald E. McNair Post-Baccalaureate Achievement Program	84.217	P217A50004	<u>240,539</u>
Total TRIO Cluster			1,551,407
Research and Development Cluster:			
Environmental Protection Agency - Direct programs:			
Lake Macatawa	66.469		49,957
Muskegon Transition	66.460		19,337
GLNPO Mona Lake	66.469		7,562
Uzarski Mona Lake	66.469		13,342
State of Lake MI 03	66.469		13,350
EPA Tour 2002	66.606		333
EPA Tour 2003	66.606		12,878
Passed through Grand Valley Metro Council - Lower Grand River	66.460		75,867
Passed through Michigan State University - Depressional Wetlands	66.unknown		32,077
Passed through the Michigan Department of Environmental Quality - Rouge River I & E	66.460		<u>40,531</u>
Total Environmental Protection Agency			265,234

Grand Valley State University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2004

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:			
S01 MSGC HE Beckman	43.unknown		\$ 988
S01 MSGC HE Mattox	43.unknown		4,886
MSGC S03 Stilley	43.unknown		2,500
Vail MSGC 2003	43.unknown		(371)
Biddanda Space Grant	43.unknown		2,262
MSGC S03 Sturgeon	43.unknown		2,143
MSGC S03 Rice	43.unknown		1,286
S02 MSGC Dill	43.unknown		100
S02 PC Reffeor	43.unknown		87
S03 MSGC Dill	43.unknown		10,000
Seed Grant S03 Menon	43.unknown		4,126
S03 MSGC SI Joseph	43.unknown		8,734
S03 MSGC PC Decker	43.unknown		5,000
S03 MSGC Management	43.unknown		2,604
S04 MSGC Seed Grant - Furton	43.unknown		2,051
S04 MSGC PreCollege - Decker	43.unknown		1,200
S04 MSGC PC/SA Dill	43.unknown		5,443
S04 MSGC HE/PO/SA - Joseph	43.unknown		(658)
S04 MSGC UG Fellowship - Devries	43.unknown		2,500
S04 MSGC UG Fellowship - Calkins	43.unknown		2,500
MSGC 04 Globe Project	43.unknown		3,417
S04 MSGC Graduate Fellowship - Sievert	43.unknown		5,000
S04 MSGC UG Fellow-Bader/Gibson	43.unknown		2,500
S04 MSGC GR Fellowship - Hooker/McClinton	43.unknown		5,000
S04 MSGC UG Fellowship - Siebersma/Dulimarta	43.unknown		2,500
S04 MSGC UG Fellowship - Dakan/Riemersma	43.unknown		2,500
Total National Aeronautics and Space Administration			78,298

Grand Valley State University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2004

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:			
NSF Integrating Algorithm Visualization - Grissom	47.076		\$ 32,733
NSF CSEMS Rogness 01	47.076		102,593
RUI - Mekik	47.050		21,177
NSF REU Site - A Complete Mathematical Research Experience	47.049		39,190
NSF Eligon	47.076		20,575
Passed through Raytheon - Raytheon Subcontract	47.unknown	KLOOA90004801	516
Passed through Loyola University - Social Sharedness	47.075	SBR-09730822	38,263
Passed through Ohio State University - Relational Concepts	47.076		37,286
Passed through Western Michigan University - Math GVSU/WMU - Walker	47.076		39,574
Passed through the University of California - Davis TORMOZ - McClinton	47.074		<u>1,415</u>
Total National Science Foundation			333,322
U.S. Department of Health and Human Services -			
Advanced Nursing Traineeship:	93.358		51,779
Passed through Area Agency of Aging Western Michigan, Inc. - Chronic Disease Self Mgmt./ Aging	93.048		8,702
Passed through Michigan State University - GEC - M Grant Year 2	93.969		10,884
Passed through the University of Pennsylvania - Scott - PA Research	93.226		<u>37,634</u>
Total U.S. Department of Health and Human Services			<u>108,999</u>
Total Research and Development Cluster			785,853

Grand Valley State University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2004

Program Title/Project Number/Subrecipient Name	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Clusters (Continued):			
Special Education Cluster - Passed through the State of Michigan - Department of Education:			
Resource Center 02-03	84.027		\$ 12,960
Start 03-04	84.027		991,035
Start 02-03	84.027		65,850
Conference Start 03-04	84.027		832
Conference Start 02-03	84.027		<u>955</u>
Total Special Education Cluster			1,071,632
U.S. Small Business Administration:			
Michigan Small Business Development Center Headquarters			
Region 7 SBDC Federal Funds	59.037		2,593,678
	59.037		<u>142,893</u>
Total U.S. Small Business Administration			2,736,571
U.S. Department of Education:			
I-Team 2003-2005	84.153		62,144
High-Risk Drinking	84.295		3,026
School-Wide	84.324		48,591
Dreams II - Joseph	84.367		112,883
FIPSE - Florida Housing	84.116		197,530
FIE-Urban Teacher Academy	84.215		81,965
CAMPIS Grant	84.335		57,957
Passed through the City University of New York - FIPSE Subcontract Amend/Extend			
	84.116		1,744
Passed through Spring Arbor University - COATT Grant			
	84.unknown		2,000
Passed through Public Broadcasting Service - Ready to Learn			
	84.295		19,676
Passed through the State of Michigan Department of Education - Idea CSPG Grant			
	84.181		108,430
National Writing Project Corporation - National Writing Project			
	84.928		27,927
BSL - GLF	84.367		<u>55,578</u>
Total U.S. Department of Education			779,451

Grand Valley State University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2004

Program Title/Project Number/Subrecipient Name	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services:			
Federal Disadvantaged Students	93.342		\$ 121,878
NIH Bridges Grant	93.960		157,620
Reading 2000 - Direct	93.865		23,607
Passed through the University of Kansas - NIH Lancaster	93.865		19,553
Family Independence Agency:			
FIA 2004	84.215		22,050
FIA 2003	84.215		<u>10,290</u>
Total U.S. Department of Health and Human Services			354,998
U.S. Department of Agriculture:			
USDA Food Program	10.unknown		856
USDA Forest Service	10.unknown		7,965
S01 Forest Service Trier	10.664		7,329
Michigan Wildlife Habitats	10.664		<u>22,076</u>
Total U.S. Department of Agriculture			38,226
U.S. Department of Energy - BioFuel Ed Project	81.079		1,386
U.S. Department of State - UCC Grant	19.unknown		15,729
U.S. Department of Transportation:			
Passed through the MI Office of Highway Safety Planning - OHSP Party Patrol	20.600		1,987
Passed through the State of Michigan - Newaygo TEA21	20.unknown		<u>22,064</u>
Total U.S. Department of Transportation			24,051
U.S. Department of Commerce (DOC-NOAA):			
Beach Grooming	11.unknown		8,439
NOAA Collaborative	11.unknown		6,978
Coastal Habitats Year 2	11.419		<u>33,937</u>
Total U.S. Department of Commerce			49,354
U.S. Department of Justice - Project Safe Neighborhood	16.609		152,444
Ford Foundation and National Research Council - Ford Postdoctoral Fellowship	45.unknown		2,500

Grand Valley State University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2004

<u>Program Title/Project Number/Subrecipient Name</u>	<u>CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Army Corp of Engineers - USACOE	12.unknown		\$ 12,493
U.S. Fish and Wildlife Service - MI Wild - MDNR 03-04	15.634		<u>15,256</u>
Total expenditures of federal awards			<u>\$84,676,496</u>

Grand Valley State University

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2004

Note 1 - Significant Accounting Policies

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Grand Valley State University (the "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, 2004 of \$1,862,043. Loan balance outstanding of \$9,764,652 at June 30, 2004 includes \$7,902,609 for the balance of loans from previous years, for which the government imposed 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, 2004.

Outstanding loans under the Nursing Student Loan Program were \$125,298 at June 30, 2004. There were no federal contributions for this program during the year ended June 30, 2004.

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

Note 3 - Federal Work Study

As allowable and in accordance with federal regulations issued by the Department of Education, the University spent Federal Work Study dollars of \$977,997, net of \$73,900 for funds carried forward to next fiscal year, based on the current year award. The amounts expended have been adjusted from amounts spent in prior award years and amounts transferred to the Federal Supplemental Employment Opportunity Grant spending. The Federal Work Study expenditures for the year ended June 30, 2004 are adjusted for \$248,980 transferred to and spent in the Federal Supplemental Opportunity Grants.

Grand Valley State University

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2004

Note 4 - 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
U.S. Department of Justice - Project Safe Neighborhood	16.609	\$ 121,904
U.S. Department of Health and Human Services:		
NIH Bridges Grant	93.960	67,489
GEC - M Grant Year 2	93.969	<u>6,823</u>
Total U.S. Department of Health and Human Services		74,312
National Science Foundation:		
NSF Eligon	47.076	9,251
NSF Integrating Algorithm Visualization - Grissom	47.076	<u>20,223</u>
Total National Science Foundation		29,474
U.S. Small Business Administration - Michigan Small Business Development Center Headquarters	59.037	<u>1,704,637</u>
Total		<u>\$ 1,930,327</u>

Grand Valley State University

Schedule of Findings and Questioned Costs Year Ended June 30, 2004

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 programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes No

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
84.268, 84.007, 84.033 84.038, 84.063	Student Financial Aid Cluster
59.037	U.S. Small Business Administration

Dollar threshold used to distinguish between type A and type B programs: \$616,652

Auditee qualified as low-risk auditee? Yes No

Grand Valley State University

Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2004

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Audit Findings

None