

Grand Valley State University

**Federal Awards
Supplemental Information
June 30, 2012**

Grand Valley State University

Contents

Independent Auditor's Report	I
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	2-3
Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	4-5
Schedule of Expenditures of Federal Awards	6-12
Notes to Schedule of Expenditures of Federal Awards	13-14
Schedule of Findings and Questioned Costs	15-16
Corrective Action Plan	17

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 (the "University") as of and for the year ended June 30, 2012 and have issued our report thereon dated November 2, 2012, which contained an unqualified opinion on those financial statements. Those basic financial statements are the responsibility of the management of Grand Valley State University. Our responsibility is to express an opinion on these basic financial statements based on our audit. We have not performed any procedures with respect to the audited financial statements subsequent to November 2, 2012. The financial statements of the University's blended component units were not audited in accordance with *Government Auditing Standards*.

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. The financial statements of the University's blended component units were not audited in accordance with *Government Auditing Standards*. 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 conducted 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. 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.

Plante & Moran, PLLC

November 2, 2012

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 the Board of Trustees
Grand Valley State University

We have audited the financial statements of Grand Valley State University (the "University") as of and for the year ended June 30, 2012 and have issued our report thereon dated November 2, 2012. 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. The financial statements of the University's blended component units were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

The management of Grand Valley State University is responsible for establishing and maintaining an effective internal control over financial reporting. In planning and performing our audit, we considered Grand Valley State University's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over financial reporting.

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 entity's financial statements will not be prevented or detected and corrected on a timely basis.

To the Board of Trustees
Grand Valley State University

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as Finding 2012-01, that we consider to be a significant deficiency in internal control over financial reporting. 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.

Compliance and Other Matters

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 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*.

Grand Valley State University's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Grand Valley State University's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the board of trustees, others within the University, 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

November 2, 2012

Report on Compliance with Requirements That Could Have a
Direct and Material Effect on Each Major Program and on
Internal Control Over Compliance in Accordance with OMB Circular A-133

Independent Auditor's Report

To the Board of Trustees
Grand Valley State University

Compliance

We have audited the compliance of Grand Valley State University (the "University") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

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

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the board of trustees, others within the University, 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

November 2, 2012

Grand Valley State University

Schedule of Expenditures of Federal Awards Year Ended June 30, 2012

Program Title/Project Number/Subrecipient Name	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Clusters:			
Student Financial Assistance Cluster:			
U.S. Department of Education - Direct programs:			
William D. Ford Direct Loan Program	84.268	P268K011378	\$ 169,243,482
Federal Supplemental Education Opportunity Grant Program	84.007	P007A102012	1,184,020
Federal Work Study Program	84.033	P033A102012	1,051,897
Federal Pell Grant Program	84.063	P063P33265/43265	29,793,037
Federal Academic Competitive Grants	84.375	P375A080226	3,864
Federal Smart Grants	84.376	P376S080226	7,500
Federal Perkins Loan Program - Loans Outstanding (Note 3)	84.038		10,081,266
Federal TEACH Grants	84.379	P379T090226	546,235
U.S. Department of Health and Human Services - Direct program:			
Scholarships for Disadvantaged Students 2011-12	93.925		21,371
Nursing Student Loan Program - Loans Outstanding (Note 3)	93.364		<u>321,212</u>
Total Student Financial Assistance Cluster			212,253,884
TRIO Cluster - U.S. Department of Education - Direct programs:			
U.S. Department of Education - Direct programs:			
TRIO - Upward Bound	84.047	P047A20464	418,348
TRIO - Talent Search	84.044A	P044A070112	312,194
TRIO - Educational Support Services	84.042	P044A10252/40497	294,300
TRIO - Ronald E. McNair Post-Baccalaureate Achievement Program	84.217	P217A50004	<u>227,090</u>
Total TRIO Cluster			1,251,932
Research and Development Cluster:			
Environmental Protection Agency - Direct programs:			
Observatory for Ecosystem Changes in Muskegon Lake	66.469		117,160
Studies to Support Ruddiman Creek Implementation-Ready TMDL	66.469		109,853
Lake-specific Onboard Education and Outreach	66.469		152,409
Environmental Protection Agency - Pass-through programs:			
Passed through Michigan Department of Natural Resources and Environment -			
Investigating Sediment Toxicity in White Lake for Removing the Degradation of Benthos Beneficial Use Impairment	66.469		2,830
Fish Contaminant Assessment of White, Muskegon, and Pentwater Lakes	66.469		32,719
Passed through Central Michigan University -			
Great Lakes Connections	66.469		9,978
Passed through Timberland RC&D -			
Nonpoint Source Implementation: Tyler Creek E. Coli Reduction	66.460		5,530
Passed through Muskegon Conservation District:			
205(j) Water Quality Planning Program: Duck Creek Watershed Planning Project, Muskegon County	66.454	C600E54801	10,764
White Lake AOC Habitat Restoration Initiative for BUI Delisting	66.469		8,860

Grand Valley State University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2012

Program Title/Project Number/Subrecipient Name	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Clusters (Continued):			
Research and Development Cluster (Continued):			
Passed through Muskegon River Watershed Assembly -			
Bear Creek/Bear Lake (Muskegon County) Implementation 2 Project	66.469	TC2010-0013	\$ 23,608
Nonpoint Source Implementation: Houghton Lake E. Coli Reduction	66.460		13,533
Passed through Central Michigan University -			
Great Lakes Coastal Wetland Monitoring	66.469		<u>29,679</u>
Total Environmental Protection Agency			516,923
National Aeronautics and Space Administration - Direct program -			
XMM-Newton Announcement of Opportunity: Identifying the TeV			
Gamma-Ray Source MGO 1908+06	43.unknown		3,157
National Aeronautics and Space Administration - Pass-through programs:			
Passed through Michigan Space Grant Consortium:			
NASA/MSGC: Bolen 10-11	43.008		297
NASA/MSGC: Beckmann 10-11	43.008		3,024
NASA/MSGC: 11-12 Syers Fellowship	43.008		3,024
NASA/MSGC: 11-12 LaRue Fellowship	43.008		242
NASA/MSGC: 11-12 Horne Fellowship	43.008		4,424
NASA/MSGC: 11-12 Administration	43.008		1,654
NASA/MSGC: 12-13 Snider Fellowship	43.008		5,000
NASA/MSGC: 12-13 Steps Camp	43.008		2,075
NASA/MSGC: 12-13 Bussey-UG Fellowship	43.008		2,500
NASA/MSGC: 12-13 Leslie-UG Fellowship	43.008		2,500
NASA/MSGC: 12-13 Peshl-UG Fellowship	43.008		2,500
NASA/MSGC: 12-13 Korich Seed Grant: Molecular Assemblies for Gas Storage			
Devices from Dynamic Bond	43.008		(1,799)
NASA/MSGC: 12-13 Bouza-UG Fellowship-Mentor	43.008		400
NASA/MSGC: 12-13 Beckmann-Family Math Summer	43.008		1,098
NASA/MSGC: 12-13 Administration	43.008		<u>86</u>
Total National Aeronautics and Space Administration			30,182
National Science Foundation - Direct programs:			
NSF: Target Inquiry: Investigating the Teacher and Student Effects of a			
New Model in Chemistry Teacher Professional Development	47.076		92,296
NSF RUI: Elucidating Regulatory Mechanism in the Diaphanous			
Related Forming Proteins using an Integrated Approach to			
Undergraduate Research and Education	47.074		19,154
NSF Collaborative Research: A Multi-proxy Search for the Deglacian			
Deep Sea Carbonate Preservation Maximum	47.050		38,659
NSF: Intergovernmental Personnel Act (IPA) - Scott Grissom Assignment	47.unknown	DUE-0956295	10,572
NSF: RUI: Evolutionary and Ecological Importance of Hybridization			
and Cryptic Diversity in a Rapidly Expanding Aquatic Plant	47.074		43,865

Grand Valley State University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2012

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 - Direct programs (Continued):			
ARRA NSF: Integration of Nanotechnology into Undergraduate Engineering and Science Education	47.082		\$ 68,432
ARRA NSF: Collaborative Research: Sustaining and Amplifying the ITEX AON through Automation and Increased Interdisciplinary of Observations	47.082		85,540
NSF: REU Site: Grand Valley State University Summer Undergraduate Research Program in Mathematics	47.049		79,891
NSF: MRI: Acquisition of an Automated Genetic Analyzer for Interdisciplinary Research and Teaching at GVSU	47.074		41,488
NSF: Exploring Hoogland, Haasgat, and Plio-Pleistocene Landscape of the Schurveberg Mountain Region South Africa	47.075		13,024
ARRA NSF: Science Master's Program - Biomedical Engineering	47.082		227,294
NSF: RUI Theoretical Study of the Removal of Triplet Herzberg States of Oxygen by Collisions with Nitrogen	47.049		26,645
NSF: Collaborative Research-EAGER-Genomic Insights into Microbial Mat Diversity and Proterozoic Geobiology	47.050		7,475
NSF: RUI-TeV Observations of Galactic Sources with VERITAS	47.049		19,756
NSF: Advancing Chemistry by Enhancing Learning in the Laboratory	47.076		17,034
NSF: Mentoring/Academic Support and Scholarships for Science Students (MAS4)	47.076		91,606
NSF: Collaborative Research: Further Development and Testing of the Target Inquiry Model for Middle and High School Science Teacher Professional Development	47.076		64,310
NSF: Stopping Rule Selection Theory	47.075		12,982
NSF: Collaborating with EMU for Building Michigan Geology Talent	47.050		2,741
National Science Foundation - Pass-through programs:			
Passed through Hope College -			
MRI: Acquisition of a Computer Cluster for Undergraduate Chemistry Research and Teaching by the Midwest Undergraduate Computational Chemistry Consortium (MU3C)	47.049		3,293
Passed through Michigan State University - Cluster Randomized Trial of the Efficacy of Early Childhood Science Education for Low-income Children	47.076		4,126
Passed through Northern Kentucky University Research Foundation - The TIM Consortium: a Dispersed REU Site in Theoretically Interesting Molecules	47.049		8,200
Passed through Western Michigan University - Transition to College Mathematics and Statistics	47.076		<u>62,077</u>
Total National Science Foundation			1,040,460

Grand Valley State University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2012

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 Energy - Direct program - Lake Michigan Offshore Wind Technology Data Collection Project	81.087		\$ 490,779
Total Research and Development Cluster			2,078,344
Special Education Cluster - Passed through the State of Michigan -			
Department of Education:			
Autism START Project 10-11	84.027		615,927
Autism START Project 11-12	84.027		1,104,722
Total Special Education Cluster			1,720,649
Statewide Data Systems Cluster - Passed through State of Michigan Center for Educational Performance and Information:			
ARRA/Student Transcript and Academic Records Repository (STARR):			
Data Exchange	84.384A		23,674
Student Transcript and Academic Records Repository (STARR): Data Exchange	84.372A		2,326
Total Statewide Data Systems Cluster			26,000
Workforce Investment Act Cluster - U.S. Department of Labor -			
Pass-through program - Passed through Michigan Strategic Fund -			
The Michigan Nursing Corps	17.258	MNC2-2011	40,044
Other federal awards:			
National Endowment for the Humanities:			
Passed through Colorado Humanities -			
Finding Abbey: A Search for Edward Abbey and His Hidden Grave	45.Unknown		1,000
Passed through Michigan Humanities Council			
III Festival Latin American Film	45.168		500
Total National Endowment for the Humanities			1,500
National Institutes of Health - Investigations of the Key Active Sea Residues of Two Class D Lactamases			
	93.855		30,140
Total National Endowment for the Humanities			30,140
U.S. Small Business Administration -			
SBTDC 2011 Carryover Project	59.037		156,090
SBTDC 2011 Project	59.037		1,746,546
SBTDC 2012 Project	59.037		1,574,490
SBTDC Small Business Jobs Act Program	59.037		785,410
Total U.S. Small Business Administration			4,262,536

Grand Valley State University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2012

Program Title/Project Number/Subrecipient Name	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Other federal awards (Continued):			
U.S. Department of Education:			
STAIR: Studies in Trans-Atlantic International Relations	84.116J		\$ 71,169
Federal Erma Byrd Scholarship Program	84.116P	PI16PI00017	5,000
Passed through Nation Writing Project Corporation - National Writing Project	84.928		51,476
Passed through Michigan Department of Labor and Economic Growth - Michigan GEAR UP/College Day Program	84.334S		12,356
Passed through Michigan Strategic Fund/Workforce Development Agency Michigan GEAR UP/College Day Program	84.334S		24,578
Passed through Michigan Department of Education:			
Title II, Part A(3) Improving Teacher Quality: Educator's Mathematics Content Collaborative (E=mc2)	84.367B		50,828
Title II, Part A(3) Improving Teacher Quality: Science Teacher Education and Development (STEAD)	84.367B		136,025
Passed through Wayne RESA - Promoting Reform in Mathematics Education - Developing Mathematical Thinkers	84.366B		104,794
Passed through Michigan Compact Campus - Passed through Michigan Nonprofit Association Project Go!	84.378A	CPC6-10	1,041
Total U.S. Department of Education			457,267
Corporation for National and Community Service - Great Lakes Innovative Stewardship Through Education Network (GLISTEN) - Collaborative Cluster			
	94.005		16,669
U.S. Department of Health and Human Services:			
Advanced Nursing Traineeship 11-12	93.358		37,850
Kappa Opioid Regulation of Ethanol Withdrawal and Relapse	93.273		62,242
ADVANCE Nursing Workforce Diversity	93.178		176,906
Affordable Care Act - Expansion of Physician Assistant Training Program	93.514		87,908
Passed through Michigan State University Geriatrics Education Center of Michigan	93.969		5,400
Passed through National Institutes of Health:			
Analysis of Candida Albicans Filamentation using SILAC	93.855	1R03AI092155-01	44,734
Mapping the Binding State of Class D Beta-Lactamase Enzymes for Inhibitor Design and Discovery	93.855	1R15AI094489-01	106,043
Class D Cabapenemases - Defining the Role of Cabapenem Conformational Changes	93.855	2R15AI082416	27,128
Passed through University of Texas - Certificate in MCH Public Health	93.110		25,932
Passed through Center for Disease Control - Passed through Spectrum Health Hospitals - Community Transformational Grant: Capacity-building for Kent County, MI	93.531		1,410
Total U.S. Department of Health and Human Services			575,553

Grand Valley State University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2012

Program Title/Project Number/Subrecipient Name	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Other federal awards (Continued):			
U.S. Department of Agriculture:			
Passed through Michigan Department of Education:			
TRIO Food Service	10.608		\$ 7,943
Child Care Food Service	10.608		11,859
Passed through University of Minnesota/North Central Region - SARE -			
GVSU Upward Bound TRIO Flower and Herb Garden at the GVSU Sustainable Agriculture Project	10.200	YENC10-032	676
Passed through Pollinator Partnership -			
Ecological and Economic Costs and Benefits of Incorporating Pollinator and Other Beneficial Insect Floral Resource Strips into Vegetable Production System	10.912	NRCS 69-3A75-9-204	<u>2,045</u>
Total U.S. Department of Health and Human Services			22,523
U.S. Department of Agriculture:			
Passed through San Jose' State University Research Foundation			
Mineta National Transit Research Consortium Led by the Mineta Transportation Institute (MTI)	20.701	DTRT12-G-UTC21	4,161
Passed through MI-Ohio University Transportation Center -			
Traffic Simulation in Regional Modeling: Concepts and Demonstration	20.931		25,171
Passed through Michigan Department of Transportation -			
A Study of Surface Run-off from US31/Seaway on Little Black Creek	20.931		<u>23,981</u>
Total U.S. Department of Transportation			53,313
U.S. Department of Commerce:			
Passed through National Oceanic and Atmospheric Administration -			
Passed through University of Michigan -			
Develop Forecasting Predictive Models Improving Coastal and Human Health and Beach Forecasting	11.432	3001594267	9,975
Passed through the University of Michigan/Michigan Sea Grant -			
Locating Wind Energy Facilities in Michigan's Coastal Counties: An Integrated Assessment for Muskegon and West Michigan	11.417		4,724
Passed through State of Indiana			
Passed through LaPorte County Soil and Water Conservation District			
Coastal Awareness Month	11.419		6,000
ARRA - Passed through Great Lakes Commission/West Michigan Shoreline			
Regional Development Commission - Muskegon Lake			
Great Lakes Area of Concern Habitat Restoration Project	11.463		47,169
Passed through West Michigan Shoreline Regional Development Commission -			
Muskegon Lake AOC Mill Debris and Hydrologic Reconnection Design to Remove Fish and Wildlife Related BUIs	11.463	NA11NMF4630143	45,796
Passed through Michigan State University -			
Coastal Community Development	11.417		4,922
Passed through GLOBE -			
Teacher Workshop on Climate	11.Unknown		<u>3,380</u>
Total U.S. Department of Commerce			121,966

Grand Valley State University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2012

Program Title/Project Number/Subrecipient Name	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Other federal awards (Continued):			
U.S. Department of Justice:			
Project Safe Neighborhood 08	16.609	#2008-GP-CX-0036	\$ 30,825
Project Safe Neighborhood 10	16.609	#2010-GP-BX-0060	53,907
Western District of Michigan Project Safe Neighborhoods Initiative	16.609	#2009-GP-BX-0041	24,882
Western District of Michigan FY11 Project Safe Neighborhoods Initiative	16.609	#2011-GP-BX-0038	8,976
Transforming Grand Valley State University's Capacity to Educate, Prevent, and Respond to Sexual Assault, Domestic Violence, Dating Violence and Stalking	16.525		53,330
20th Judicial Circuit Court Adult Drug Court Enhancement Project - Passed through the MI Office of Highway - Safety Planning - Passed through Ottawa County:	16.585		13,897
Safe Communities Grant: Underage Drinking 10-11	16.727	JJ-11-03	2,848
Youth Alcohol Enforcement Grant	16.727	JJ-12-02	<u>4,480</u>
Total U.S. Department of Justice			193,145
U.S. Department of Defense, Army - Medical Research Command Midwest:			
Midwest Traumatic Rehabilitation Center	12.420	W81XWH-10-1-0607	855,223
PI Mu Epsilon National Meeting 2011	12.901		<u>12,000</u>
Total U.S. Department of Defense, Army - Medical Research Command Midwest			867,223
U.S. Department of Energy:			
Passed through Michigan Department of Energy, Labor & Economic Growth - Develop Offshore Wind Energy Road Show	81.041	BES-11-22	18,841
Passed through Michigan Strategic Fund/Michigan Energy Office Regional Energy Demonstration Center	81.041	MEO-12-19	8,067
Passed through Western Michigan University - Genetic Approaches to Understanding the Population Level Impact of Wind Energy Development on Migratory Bats	81.087	25 7014330	<u>4,328</u>
Total U.S. Department of Energy			31,236
U.S. Department of Interior/Fish and Wildlife Service:			
Assessment of Northern Bobwhite Quail and Fitness at Felsenthal National Wildlife Refuge	15.Unknown		11,619
Passed through Pennsylvania State University - Genetic Approaches to Understanding the Population Structure - Little Brown Bats	15.634		1,369
Passed through Match-E-Be-Nash-She-Wish Band of Pottawatomi Indians of Michigan - Juvenile Lake Sturgeon (Acipenser Fulvescens) Assessments in the Kalamazoo and Grand Rivers	15.639		<u>21,791</u>
Total U.S. Department of Interior/Fish and Wildlife Service			<u>34,779</u>
Total federal awards			<u>\$ 224,038,703</u>

Grand Valley State University

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2012

Note 1 - Basis of Presentation and Significant Accounting Policies

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Grand Valley State University under programs of the federal government for the year ended June 30, 2012. Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements, although the basis for determining when federal awards are expended is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. In addition, expenditures reported on the Schedule are recognized following the cost principles contained in OMB Circular A-21, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

Note 2 - Adjustments and Transfers

The University carried forward \$129,407 of the 2011-2012 Supplemental Education Opportunity Grant (84.007) award to the 2012-2013 award year and \$10,105 of Supplemental Education Opportunity Grant funds from the 2010-2011 award year were carried forward and spent in the 2011-2012 award year.

In addition, the University transferred \$108,777 of the Supplemental Educational Opportunity Grant to be spent in Federal Work Study (84.033).

Note 3 - Loans Outstanding

As part of the Student Financial Assistance Cluster, the University participates in the Federal Perkins Loan Program through the U.S. Department of Education and the Nursing Student Loan Program through the U.S. Department of Health and Human Services. These loan programs are directly administered by the University and are considered revolving loan programs where collections received on past loans, including interest, and new funds received from federal agencies with University matching requirements are loaned out to current students. The outstanding balances on these loans are disclosed in the schedule of expenditures of federal awards. The loans issued during the year include \$1,307,912 of Perkins Loans and \$68,000 of Nursing Student Loans.

The University originates but does not provide the funding for Federal Direct Student Loans (FDLs). The amount presented in the schedule of expenditures of federal awards represents the value of the new FDLs accepted by students during the year ended June 30, 2012.

Grand Valley State University

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2012

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: 2008	16.609	\$ 26,426
Western District of Michigan Project Safe Neighborhood Initiative	16.609	15,124
Project Safe Neighborhoods 2010	16.609	<u>53,907</u>
Total U.S. Department of Justice		95,457
U.S. Department of Defense, Army - Medical Research Command Midwest:		
Midwest Traumatic Rehabilitation Center	12.420	179,385
Midwest Traumatic Rehabilitation Center Phase 2	12.420	<u>108,629</u>
Total U.S. Department of Defense, Army - Medical Research Command Midwest		288,014
U.S. Small Business Administration:		
Michigan Small Business and Technology Development Center Headquarters - 2011	59.037	1,319,184
Michigan Small Business and Technology Development Center Headquarters - 2012	59.037	<u>1,241,266</u>
Total U.S. Small Business Administration		2,560,450
U.S. Department of Health and Human Services - ADVANCE Nursing Workforce	93.178	1,197
U.S. Environmental Protection Agency:		
Ruddiman Creek Implementation-Ready TMDL	66.469	6,959
Lake-specific Onboard Education and Outreach	66.469	<u>115,710</u>
Total U.S. Environmental Protection Agency		122,669
Corporation for National & Community Service - GLISTEN Collaborative Cluster	94.005	<u>6,474</u>
Total federal awards provided to subrecipients		<u>\$ 3,074,261</u>

Grand Valley State University

Schedule of Findings and Questioned Costs Year Ended June 30, 2012

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
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

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

Type of auditor's report issued on compliance for major programs: 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:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.007, 84.033, 84.038, 84.063, 84.268, 84.375, 84.376, 84.379, 93.925, and 93.364	Student Financial Assistance Cluster
84.042, 84.044A, 84.047, 84.217	TRIO Cluster
84.027	Special Education Cluster

Dollar threshold used to distinguish between type A and type B programs: \$353,545

Auditee qualified as low-risk auditee? Yes No

Grand Valley State University

Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2012

Section II - Financial Statement Audit Findings

Reference Number	Finding
2012-01	<p>Finding Type - Significant deficiency</p> <p>Criteria - Annual library subscriptions should either be expensed up front or over the period of the subscription.</p> <p>Condition - The library subscriptions were annually capitalized and depreciated over 10 years instead of either expensing up front or expensing over the period of the subscription. The University has been consistently capitalizing these subscriptions for over 20 years.</p> <p>Context - The net book value of the electronic subscriptions and periodicals was approximately \$12.5 million at June 30, 2012. The net book value includes undepreciated assets that have been capitalized over the past 10 years.</p> <p>Cause - The library holdings account was capitalized and depreciated over 10 years. Annual subscriptions and periodicals were included in this account instead of expensed over the period of the subscription. The University changed its policy in 2012 to correctly account for the electronic subscriptions and periodicals but did not write off the remaining net book value of the items previously recorded.</p> <p>Effect - Expense was being recognized for over 10 years versus over the period of the subscription.</p> <p>Recommendation - We recommend the University continue its new policy to expense subscriptions and periodicals.</p> <p>Views of Responsible Officials and Planned Corrective Actions - Management agrees with the finding. To ensure that annual subscriptions and periodicals are appropriately expensed, the University will continue with its new policy of recording those purchases as an annual expense.</p>

Section III - Federal Program Audit Findings

None

Reference Number	Findings
2012-1	<p data-bbox="435 646 1133 678">Contact Person – Pamela Brenzing, Controller</p> <p data-bbox="435 747 1414 877">Corrective Action Planned – The University will continue its new policy to record electronic subscriptions and periodicals as an annual expense.</p> <p data-bbox="435 947 1089 978">Anticipated Completion Date – Completed</p>