

Grand Valley State University

**Federal Awards
Supplemental Information
June 30, 2014**

Independent Auditor's Reports:

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133	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 for Each Major Federal Program; Report on Internal Control Over Compliance	4-6
Schedule of Expenditures of Federal Awards	7-11
Notes to Schedule of Expenditures of Federal Awards	12-13
Schedule of Findings and Questioned Costs	14-16
Corrective Action Plan	17

Report on Schedule of Expenditures of Federal Awards
Required by OMB Circular A-133

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") and its discretely presented component unit as of and for the year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon dated November 7, 2014, which contained an unmodified opinion on the basic financial statements of the University and its component unit. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited basic financial statements subsequent to November 7, 2014.

The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements as a whole.

Plante & Moran, PLLC

November 7, 2014

Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To Management and the Board of Trustees
Grand Valley State University

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of Grand Valley State University (the "University") and its discretely presented component unit as of and for the year ended June 30, 2014 and related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated November 7, 2014. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered Grand Valley State University's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To Management and the Board of Trustees
Grand Valley State University

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Grand Valley State University's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Morse, PLLC

Grand Rapids, Michigan
November 7, 2014

Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance

Independent Auditor's Report

To the Board of Trustees
Grand Valley State University

Report on Compliance for Each Major Federal Program

We have audited Grand Valley State University's (the "University") compliance 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, 2014. Grand Valley State University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Grand Valley State University's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Grand Valley State University's compliance.

To the Board of Trustees
Grand Valley State University

Opinion on Each Major Federal Program

In our opinion, Grand Valley State University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

The management of Grand Valley State University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Grand Valley State University's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as Finding 2014-001, that we consider to be a significant deficiency.

Grand Valley State University's responses to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and/or corrective action plan. Grand Valley State University's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

To the Board of Trustees
Grand Valley State University

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Plante & Morse, PLLC

Grand Rapids, Michigan
November 7, 2014

Grand Valley State University

Schedule of Expenditures of Federal Awards Year Ended June 30, 2014

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	\$ 161,695,133
Federal Supplemental Education Opportunity Grant Program	84.007	P007A102012	1,253,809
Federal Work Study Program	84.033	P033A102012	1,051,897
Federal Pell Grant Program	84.063	P063P33265/43265	29,577,544
Federal Perkins Loan Program - Loans Outstanding (Note 3)	84.038	N/A	11,504,487
Federal TEACH Grants	84.379	P379T090226	375,126
U.S. Department of Health and Human Services - Direct program - Nursing Student Loan Program - Loans Outstanding (Note 3)			
	93.364	N/A	<u>390,073</u>
Total Student Financial Assistance Cluster			205,848,069
TRIO Cluster - U.S. Department of Education - Direct programs:			
TRIO - Upward Bound	84.047	P047A20464	405,366
TRIO - Talent Search	84.044A	P044A070112	338,800
TRIO - Educational Support Services	84.042	P044A10252/40497	357,139
TRIO - Ronald E. McNair Post-Baccalaureate Achievement Program	84.217	P217A50004	<u>221,059</u>
Total TRIO Cluster			1,322,364
Research and Development Cluster:			
Environmental Protection Agency - Direct programs:			
Observatory for Ecosystem Changes in Muskegon Lake	66.469	N/A	65,785
Lake-specific Onboard Education and Outreach	66.469	N/A	36,369
Coordinated Vessel-Based Education	66.469	N/A	124,351
Environmental Protection Agency - Pass-through programs:			
Passed through Timberland RC&D -			
Nonpoint Source Implementation - Tyler Creek E. Coli Reduction	66.460	N/A	17,049
Passed through Ottawa Conservation District -			
Nonpoint Source Implementation - Bass River/Deer Creek Restoration	66.460	N/A	759
Passed through Muskegon River Watershed Assembly:			
Nonpoint Source Implementation - Houghton Lake E. Coli Reduction	66.460	N/A	49,569
BMPs Implementation to Restore High Priority Riparian Areas	66.469	N/A	30,109
Passed through Great Lakes Commission -			
Passed through West Michigan Shoreline Regional Development Commission			
Muskegon Lake Area of Concern Stakeholder Involvement and BUI Removal Project	66.469	N/A	1,565
Passed through the National Center for Science and Civic Engagement -			
STEM Mastery through Education Network	66.951	N/A	1,313
Passed through Central Michigan University -			
Great Lakes Coastal Wetland Monitoring	66.469	N/A	<u>33,563</u>
Total Environment Protection Agency			360,432
National Aeronautics and Space Administration - Pass-through programs:			
Passed through Michigan Space Grant Consortium:			
NASA/MSGC: 12-13 Steps Camp	43.008	N/A	7,715
NASA/MSGC: Applying Space Geodesy in Trinidad & Tobago	43.008	N/A	2,556
NASA/MSGC: 13-14 Sesselmann GR Fellowship	43.008	N/A	147
NASA/MSGC: 13-14 International Year of Statistics	43.008	N/A	4,425
NASA/MSGC: 13-14 Bussey-UG Minority Fellowship	43.008	N/A	625
NASA/MSGC: 13-14 Bussey-UG Minority Fellowship-Mentor	43.008	N/A	1,000
NASA/MSGC: 13-14 Ebenstein-UG Fellowship	43.008	N/A	1,148
NASA/MSGC: 13-14 Single-cell System to Investigate Molecular Events in Plant Gravity Sensing	43.008	N/A	502

Grand Valley State University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2014

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 - Pass-through programs (Continued):			
Passed through Michigan Space Grant Consortium (Continued):			
NASA/MSGC: 13-14 Sea Level Change and Coastal Hazard Vulnerability	43.008	N/A	\$ 3,436
NASA/MSGC: 13-14 Flaquer-UG Minority Fellowship-Mentor	43.008	N/A	834
NASA/MSGC: 13-14 Administration	43.008	N/A	382
NASA/MSGC: 14-15 Skutnik-GR Fellowship	43.008	N/A	2,454
NASA/MSGC: 14-15 Understanding LRB E3 Ligase Formation within Phytochrome Signaling	43.008	N/A	2,280
NASA/MSGC: 14-15 Administration	43.008	N/A	124
NASA/MSGC: 14-15 Survival, Nesting Success, and Sex Ratios of Temperature-Sensitive Species at the Northern Edge of Their Range	43.008	N/A	308
NASA/MSGC: 14-15 STEPS Camp 2014	43.008	N/A	848
NASA/MSGC: 14-15 Schalk-UG Fellowship	43.008	N/A	2,500
NASA/MSGC: 14-15 Armstrong-UG Fellowship	43.008	N/A	2,500
Passed through University of Georgia - Ion-Neutral Collision Database for Astrophysics	43.001	N/A	<u>18,540</u>
Total National Aeronautics and Space Administration			52,324
National Science Foundation - Direct Programs:			
NSF: RUI: Elucidating Regulatory Mechanism for Bridging the Contractile Ring with the Cellular Membrane in Fission Yeast Cytokinesis	47.074	N/A	107,077
NSF: ARRA Collaborative Research: Sustaining and Amplifying the ITEX AON through Automation and Increased Interdisciplinarity of Observations	47.082	N/A	136,933
NSF: ARRA Science Master's Program - Biomedical Engineering	47.082	N/A	98,920
NSF: Collaborative Research-EAGER-Genomic Insights into Microbial Mat Diversity and Proterozoic Geobiology	47.050	N/A	(1,347)
NSF: RUI-TeV Observations of Galactic Sources with VERITAS	47.049	N/A	8,977
NSF: Advancing Chemistry by Enhancing Learning in the Laboratory	47.076	N/A	2,769
NSF: Mentoring/Academic Support and Scholarships for Science Students (MAS4)	47.076	N/A	107,356
NSF: Collaborative Research: Further Development and Testing of the Target Inquiry Model for Middle and High School Science Teacher Professional Development	47.076	N/A	240,746
NSF: Stopping Rule Selection Theory	47.075	N/A	38,156
NSF: Collaborating with EMU for Building Michigan Geology Talent	47.050	N/A	28,362
NSF: MRI: Acquisition of a High-Performance Computing Cluster for Research and Education	47.070	N/A	5,993
NSF: WIDER: EAGER: GVSU Inventory of Instructional Practices	47.076	N/A	30,097
NSF: Carbonate Preservation in Pelagic Sediments: Developing A New Aragonite Preservation Proxy	47.050	N/A	41,390
NSF: REU Site-GVUS Summer Undergraduate Research Program in Mathematics	47.049	N/A	72,845
NSF: I-Corps-Commercialization of Genetic Identification Services for Invasive Aquatic Plant Management	47.041	N/A	26,962
NSF: Using Assistive Device Design to Implement Corner Stone Project Based Learning	47.041	N/A	10,211
Passed through Northern Kentucky University Research Foundation - The TIM Consortium: a Dispersed REU Site in Theoretically Interesting Molecules	47.049	N/A	<u>10,027</u>
Total National Science Foundation			965,474
U.S. Department of Energy-Direct Program -			
Lake Michigan Offshore Wind Technology Data Collection Project	81.087	N/A	60,267

Grand Valley State University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2014

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 and Human Services:			
Passed through National Institutes of Health:			
Analysis of Candida Albicans Filamentation using SILAC	93.855	IR03AI092155-01	\$ 23,536
Mapping the Binding State of Class D Beta-Lactamase Enzymes for Inhibitor Design and Discovery	93.855	IR15AI094489-01	83,536
Class D Cabapenemases - Defining the Role of Cabapenem Conformational Changes	93.855	2R15AI082416	139,082
Passed through University of Nebraska - Global Genomic and Proteomic Profiling of African Children with Typhoid Fever	93.855	N/A	<u>79,576</u>
Total U.S. Department of Health and Human Services			<u>325,730</u>
Total Research and Development Cluster			1,764,227
Special Education Cluster - Passed through the State of Michigan -			
Department of Education:			
Autism START Project 12-13	84.027	N/A	685,842
Autism START Project 13-14	84.027	N/A	<u>818,479</u>
Total Special Education Cluster			1,504,321
Other federal awards:			
U.S. Small Business Administration - Direct:			
SBTDC 2012 Carryover Project	59.037	N/A	180,687
SBTDC 2013 Project	59.037	N/A	1,427,007
SBTDC 2013 Carryover Project	59.037	N/A	104,470
SBTDC 2014 Project	59.037	N/A	1,451,651
SBTDC Small Business Jobs Act Program	59.037	N/A	100,984
Passed through Michigan Economic Development Commission -			
State Trade & Export Promotion 2013 (Small Business of Development Center)	59.061	N/A	84,848
State Trade & Export Promotion 2013 (Van Andel Global Trade Center)	59.061	N/A	<u>200,116</u>
Total U.S. Small Business Administration			3,549,763
U.S. Department of Education:			
Passed through Michigan Strategic Fund/Workforce Development Agency -			
Michigan GEAR UP/College Day Program	84.334S	N/A	55,506
Passed through Michigan Department of Education:			
Title II, Part A(3) Improving Teacher Quality: Science Teacher Education and Development (STEAD) Phase II	84.367B	N/A	69,304
Title II, Part A(3) Improving Teacher Quality: Science Teacher Education and Development (STEAD) 3	84.367B	N/A	39,946
Passed through Wayne RESA - Promoting Reform in Mathematics Education - Developing Mathematical Thinkers	84.366B	N/A	<u>106,756</u>
Total U.S. Department of Education			271,512

Grand Valley State University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2014

Program Title/Project Number/Subrecipient Name	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Other federal awards (Continued):			
U.S. Department of Health and Human Services:			
Kappa Opioid Regulation of Ethanol Withdrawal and Relapse - Direct	93.273	N/A	\$ 8,160
ADVANCE Nursing Workforce Diversity - Direct	93.178	N/A	204,906
Affordable Care Act - Expansion of Physician Assistant Training Program - Direct	93.514	N/A	353,877
Passed through Michigan State University - Geriatrics Education Center of Michigan	93.969	N/A	5,400
Wayfinding in Aging and Alzheimer's Disease within a Virtual Senior Residence -Direct	93.866	IR15AG037946-01A1	141,560
Physician Assistant Training in Primary Care - Direct	93.884	D57HP25318	73,713
Advanced Education Nursing Traineeship - Direct	93.358	A10HP25178	351,204
Passed through University of Texas - Certificate in MCH Public Health	93.110	N/A	33,311
Passed through Michigan Department of Community Health - Nurse Education, Practice Quality, and Retention - Interprofessional Collaborative Practice	93.359	UD7HP25052	301,764
Passed through Center for Disease Control - Passed through Spectrum Health Hospitals:			
Community Transformational Grant: Capacity-building for Kent County, MI	93.531	N/A	8,652
Rural Health Care Services Outreach Grant Program	93.912	N/A	<u>8,126</u>
Total U.S. Department of Health and Human Services			1,490,673
U.S. Department of Agriculture:			
Passed through Michigan Department of Education:			
TRIO Food Service	10.608	N/A	6,606
Child Care Food Service	10.608	N/A	11,249
Passed through University of Michigan - Examining Disparities in Food Access and Enhancing the Food Security of Under-served Populations in Michigan	10.310	2012-68004-20028	72,023
Passed through Michigan State University - La Siembra-Enhancing Participation of Socially Disadvantaged Latino Farmers to USDA Programs	10.443	N/A	9,397
Passed through Michigan Department of Natural Resources - Holland/Zeeland Urban Tree Canopy Assessment Project	10.664	CFG 13-14	4,522
Passed through Muskegon Conservation District - City of Muskegon Site Determination and Implementation	10.675	N/A	<u>5,491</u>
Total U.S. Department of Agriculture			109,288
U.S. Department of Transportation - Passed through San Jose' State University:			
Research Foundation - Mineta National Transit Research Consortium Led by the Research Consortium Led by the Mineta Transportation Institute (MTI)	20.701	DTRT12-G-UTC21	90,443
U.S. Department of Commerce:			
Passed through National Oceanic and Atmospheric Administration - Groundswell FORCES	11.429	N/A	61,155
Passed through University of Michigan - 2012 OHH: HABS Beach and Quality Forecasting	11.432	3002609222	11,936
Passed through Great Lakes Commission/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	8,804
Passed through Michigan Department of Environmental Quality - Passed through West Michigan Environmental Action Council - Lake Michigan Water Trail - Benton Harbor to Ludington	11.419	NA11NOS419161	<u>34,594</u>
Total U.S. Department of Commerce			116,489

Grand Valley State University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2014

Program Title/Project Number/Subrecipient Name	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Other federal awards (Continued):			
U.S. Department of Justice:			
Western District of Michigan FY11 Project Safe Neighborhoods Initiative	16.609	#2011-GP-BX-0038	\$ 17,692
Transforming Grand Valley State University's Capacity to Educate, Prevent, and Respond to Sexual Assault, Domestic Violence, Dating Violence, and Stalking	16.525	N/A	79,178
20th Judicial Circuit Court Adult Drug Court Enhancement Project	16.585	N/A	<u>19,451</u>
Total U.S. Department of Justice			116,321
U.S. Department of Defense, Army-Medical Research Command Midwest:			
Midwest Traumatic Rehabilitation Center	12.420	W81XWH-10-1-0607	227,322
Passed through National Security Agency - PI Mu Epsilon National Meeting 2012	12.901	N/A	<u>12,000</u>
Total U.S. Department of Defense, Army-Medical Research Command Midwest			239,322
U.S. Department of Energy:			
Solar Thermal System Project	81.041	MEO-13-011	3,883
Passed through Vinazene Corp. - A Single Substance Organic Rebox Flow Battery	81.049	N/A	<u>44,264</u>
Total U.S. Department of Energy			48,147
U.S. Department of Interior/Fish and Wildlife Service:			
Assessment of Northern Bobwhite Quail and Fitness at Felsenthal National Wildlife Refuge	15.Unknown	N/A	9,525
Genetic Approaches to Defining the Taxonomic and Conservation Units for the Hawaiian Hoary Bat	15.808	N/A	13,057
Passed through Ohio State University - Developing a Fire-Science Network for the Northern Lake States	15.650	F10AC00320	1,930
Passed through Bureau of Ocean Energy Management - Passed through Louisiana University's Marine Consortium (LUMCON) - Genetic Affinities in Populations of the Invasive Indo-Pacific Coral Tubastraea Micranthus on Northern Gulf of Mexico Platforms: Multiple Invasions	15.422	MINV13-2	49,963
Passed through Illinois Department of Natural Resources - Passed through University of Illinois at Urbana-Champaign - Survey of Lake Michigan Microzooplankton Community: Critical Information for Understanding the Risk from Aquatic Nuisance Species	15.662	2013-06758-01	<u>7,569</u>
Total U.S. Department of Interior/Fish and Wildlife Service			82,044
U.S. Department of Homeland Security:			
Passed through State of Michigan - Passed through West Michigan Shoreline Regional Development Commission - Passed through County of Ottawa - Equipment Purchase	97.067	N/A	<u>4,684</u>
Total federal awards			<u>\$ 216,557,667</u>

Grand Valley State University

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2014

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 (the "University") under programs of the federal government for the year ended June 30, 2014. 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, *Cost Principles for Educational Institutions*, 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 \$126,580 of the 2013-2014 Supplemental Education Opportunity Grant (84.007) award to the 2014-2015 award year and \$77,067 of Supplemental Education Opportunity Grant funds from the 2012-2013 award year were carried forward and spent in the 2013-2014 award year.

In addition, the University transferred \$228,131 of the Supplemental Educational Opportunity Grant (84.007) award to Federal Work Study (84.033) for the 2013-2014 year.

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 \$1,810,221 of Perkins Loans.

Grand Valley State University

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2014

Note 3 - Loans Outstanding (Continued)

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, 2014.

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 Neighborhoods 2011	16.609	\$ 17,370
U.S. Department of Defense, Army - Medical Research Command Midwest - Midwest Traumatic Rehabilitation Center Phase 2	12.420	43,191
U.S. Small Business Administration: Michigan Small Business and Technology Development Center Headquarters - 2013	59.037	1,223,263
Michigan Small Business and Technology Development Center Headquarters - 2014	59.037	<u>1,192,213</u>
Total U.S. Small Business Administration		2,415,476
U.S. Department of Health and Human Services: ADVANCE Nursing Workforce	93.178	49
Wayfinding in Aging and Alzheimer's Disease Within a Virtual Senior Residence	93.866	<u>17,198</u>
Total U.S. Department of Health and Human Services		17,247
U.S. Environmental Protection Agency: Lake-specific Onboard Education and Outreach	66.469	34,460
Coordinated Vessel-Based Education & Outreach	66.469	<u>79,150</u>
Total U.S. Environmental Protection Agency		113,610
U.S. Department of Commerce/National Oceanic and Atmospheric Adm. B-WET Goundswell FORCES	11.429	17,303
US Department of Interior/Fish and Wildlife Service - Genetic Approaces to Defining the Taxonomic and Conservation Units for the Hawaiian Hoary Bat	15.808	9,243
US Department of Education - TRIO Cluster - TRIO - Ronald E. McNair Post-Baccalaureate Achievement Program	84.217	<u>8,604</u>
Total federal awards provided to subrecipients		<u>\$ 2,642,044</u>

Grand Valley State University

Schedule of Findings and Questioned Costs Year Ended June 30, 2014

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes 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: Unmodified

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
84.007, 84.033, 84.038, 84.063, 84.268, 84.379, and 93.364	Student Financial Assistance Cluster
43.001, 43.008, 47.041, 47.049, 47.050, 47.070, 47.074, 47.075, 47.076, 47.082, 66.460, 66.469, 66.951, and 81.087	Research and Development Cluster
59.037	Small Business Development Center
93.358	Advanced Education Nursing Traineeship
93.514	Affordable Care Act - Expansion of Physician Assistant Training Program

Dollar threshold used to distinguish between type A and type B programs: \$321,288

Auditee qualified as low-risk auditee? Yes No

Grand Valley State University

Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2014

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Audit Findings

Reference Number	Finding
2014-001	<p>Program Name - U.S. Department of Education - Student Financial Aid - Direct Loan Program - CFDA #84.268</p> <p>Pass-through Entity - N/A</p> <p>Finding Type - Significant deficiency</p> <p>Criteria - Under federal law, each student may receive a maximum of \$31,000 in federal loans while earning their degree and of those loans only \$23,000 may be subsidized. The loan maximum is set on a per-student basis not per student, per institution (34 CFR 685.203).</p> <p>Condition - The University awarded a student additional Federal Aid that caused the student's total federal aid award to surpass the maximum allowable loan amount.</p> <p>Questioned Costs - A total of \$1,204 represents the full error amount for the student.</p> <p>Context - Of the 25 students selected for Federal Direct Loan Program testing, the University awarded one student additional aid that caused the student to exceed the maximum federal loan limit. This resulted in an error of \$1,204 out of the \$104,776 tested. The University also generated a report that was used to verify cumulative loans provided and ensured no other student received more than the allowable total maximum under the current loan limits.</p> <p>Cause and Effect - The student was awarded \$2,750 of subsidized loan during the summer semester which was not included in the total calculation when provided the fall semester award of \$5,500. The summer award should have been subtracted from the amount available for fall and winter semesters.</p> <p>Recommendation - The University should implement review procedures to verify that the most current student borrowing data is obtained from the National Student Loan Data System for Students (NSLDS) prior to additional aid being awarded.</p>

Grand Valley State University

Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2014

Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding
2014-001 (Continued)	Views of Responsible Officials and Planned Corrective Actions - Management agrees with the recommendation and has put a report in place to identify students who are awarded aid for the upcoming semesters. The report identifies students whose previous semester loan amounts may not be reflected yet in NSLDS. Management will also perform manual reviews of these students to ensure they are eligible to borrow and that the combined total does not exceed the aggregate limit.



October 27, 2014

Federal Audit Clearinghouse
RE: Grand Valley State University
Corrective Action Plan
Fiscal Year Ended June 30, 2014

Finding Number: 2014-001

Condition: The University awarded the student additional Federal Aid that caused the student's total federal aid award to surpass the maximum allowable loan amount.

Corrective Action Plan: We have a report in place to identify students who are awarded aid for the upcoming fall/winter semesters and also have a spring/summer semester loan. The report identifies students whose spring/summer loan may not yet be reflected in NSLDS. We perform a manual review of these students to ensure they are eligible to borrow the future term loan and that the combined total does not exceed the aggregate limit. Regarding the specific student involved in this instance – we counseled this student to reaffirm her loans with her loan servicer, and have received confirmation that this was completed.

Responsible Individual: Michelle Rhodes, Director of Financial Aid

Date by which the Corrective Action Will Be Implemented: 11/1/2014