

# **Grand Valley State University**

---

**Federal Awards  
Supplemental Information  
June 30, 2015**

### 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
Summary Schedule of Prior Audit Findings	17
Corrective Action Plan	18

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, 2015 and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon dated November 6, 2015, 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 opinions on the financial statement that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to November 6, 2015.

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 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 basic financial statements as a whole.

*Plante & Moran, PLLC*

March 11, 2016

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 financial statements of Grand Valley State University (the "University") and its discretely presented component unit as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated November 6, 2015. 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 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 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 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 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*

November 6, 2015

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, 2015. 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, 2015.

### **Report on Internal Control Over Compliance**

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 item 2015-001, that we consider to be a significant deficiency.

Grand Valley State University's response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. 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 it.

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*

March 11, 2016



# Grand Valley State University

## Schedule of Expenditures of Federal Awards Year Ended June 30, 2015

Program Title/Project Number/Subrecipient Name	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<b>Clusters:</b>			
<b>Student Financial Assistance Cluster:</b>			
U.S. Department of Education - Direct Programs:			
William D. Ford Direct Loan Program	84.268	P268K150226	\$ 161,734,776
Federal Supplemental Education Opportunity Grant Program (Note 3)	84.007	P007A102012	1,317,832
Federal Work Study Program (Note 3)	84.033	P033A102012	1,029,147
Federal Pell Grant Program	84.063	P063P140226	29,219,454
Federal Perkins Loan Program - Loans Outstanding (Note 4)	84.038	N/A	11,019,391
Federal TEACH Grants	84.379	P379T090226	362,064
U.S. Department of Health and Human Services - Direct program - Nursing Student Loan Program - Loans Outstanding (Note 4)			
	93.364	N/A	<u>415,376</u>
Total Student Financial Assistance Cluster			205,098,040
<b>TRIO Cluster - U.S. Department of Education - Direct programs:</b>			
TRIO - Upward Bound	84.047	P047A120382	419,030
TRIO - Talent Search	84.044A	P044A110082	309,110
TRIO - Educational Support Services	84.042	P042A100740	354,625
TRIO - Ronald E. McNair Post-Baccalaureate Achievement Program	84.217	P217A120129	<u>256,085</u>
Total TRIO Cluster			1,338,850
<b>Research and Development Cluster:</b>			
Environmental Protection Agency - Direct programs -			
Coordinated Vessel-Based Education	66.469	N/A	89,003
Environmental Protection Agency - Pass-through programs:			
Passed through Ottawa Conservation District -			
Nonpoint Source Implementation - Bass River/Deer Creek Restoration	66.460	N/A	7,640
Passed through Muskegon River Watershed Assembly:			
Nonpoint Source Implementation - Houghton Lake E. Coli Reduction	66.460	N/A	16,959
BMPs Implementation to Restore High Priority Riparian Areas	66.469	N/A	42,232
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	6,642
Muskegon Lake Benthos BUI Monitoring Plan	66.469	N/A	5,000
Passed through the U.S. Department of Agriculture -			
Application of Prescribed Fire and Herbicide to Reduce Carex Pennsylvania	66.469	N/A	1,003
Passed through the Department of Environmental Quality -			
Lower Grand River Education Initiative	66.460	N/A	104,111
Passed through the Kent Conservation District -			
Flat River Watershed Planning	66.460	N/A	16,003
Passed through Central Michigan University -			
Great Lakes Coastal Wetland Monitoring	66.469	N/A	<u>97,045</u>
Total Environment Protection Agency			385,638
<b>National Aeronautics and Space Administration - Pass-through programs:</b>			
Passed through Michigan Space Grant Consortium:			
NASA/MSGC: Applying Space Geodesy in Trinidad & Tobago	43.008	N/A	2,444
NASA/MSGC: 13-14 Sea Level Change and Coastal Hazard Vulnerability	43.008	N/A	753
NASA/MSGC: 13-14 Single-cell System to Investigate Molecular Events in Plant Gravity Sensing	43.008	N/A	530
NASA/MSGC: 14-15 Skutnick-GR Fellowship	43.008	N/A	2,546
NASA/MSGC: 14-15 Understanding LRB E3 Ligase Formation within Phytochrome Signaling	43.008	N/A	<u>2,720</u>

# Grand Valley State University

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2015

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: 14-15 Administration	43.008	N/A	\$ 1,376
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	4,557
NASA/MSGC: 14-15 STEPS Camp 2014	43.008	N/A	6,652
NASA/MSGC: 15-16 Weinke - Fellowship	43.008	N/A	(2,860)
NASA/MSGC: 15-16 STEPS Camp 2015	43.008	N/A	2,081
NASA/MSGC: 15-16 Vogel-GR Fellowship	43.008	N/A	5,000
NASA/MSGC: 15-16 Vickers - UG Fellowship	43.008	N/A	2,500
NASA/MSGC: 15-16 Ward - UG Fellowship	43.008	N/A	2,500
NASA/MSGC: 15-16 Musser - UG Fellowship	43.008	N/A	2,500
NASA/MSGC: 15-16 Cabelof - UG Fellowship	43.008	N/A	2,500
NASA/MSGC: 15-16 Administration	43.008	N/A	110
Passed through University of Georgia - Ion-Neutral Collision Database for Astrophysics	43.001	N/A	<u>20,424</u>
Total National Aeronautics and Space Administration			56,333
National Science Foundation - Direct Programs:			
NSF: RUJ: Elucidating Regulatory Mechanism for Bridging the Contractile Ring with the Cellular Membrane in Fission Yeast Cytokinesis	47.074	N/A	151,391
ARRA - NSF: Collaborative Research: Sustaining and Amplifying the ITEX AON through Automation and Increased Interdisciplinarity of Observations	47.082	N/A	27,714
NSF: Advancing Chemistry by Enhancing Learning in the Laboratory	47.076	N/A	2,904
NSF: Mentoring/Academic Support and Scholarships for Science Students (MAS4)	47.076	N/A	116,208
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	218,580
NSF: Stopping Rule Selection Theory	47.075	N/A	29,081
NSF: Collaborating with EMU for Building Michigan Geology Talent	47.050	N/A	4,398
NSF: MRI: Acquisition of a High-performance Computing Cluster for Research and Education	47.070	N/A	1,537
NSF: Carbonate Preservation in Pelagic Sediments: Developing A New Aragonite Preservation Proxy	47.050	N/A	22,209
NSF: REU Site-GVUS Summer Undergraduate Research Program in Mathematics	47.049	N/A	82,480
NSF: Using Assistive Device Design to Implement Corner Stone Project Based Learning	47.041	N/A	28,444
NSF: Arctic Observing Networks - Collaborative Research: Sustaining and amplifying the ITEX AON through automation and increased interdisciplinarity of observations	47.050	N/A	50,568
NSF: REU QUEST	47.074	N/A	45,316
NSF: Multiscale Modeling with a Partial Differential Equations in Computational Science and Engineering	47.049	N/A	2,520
Passed through Vinazene - STTR High Energy Density Non-aqueous Pseudocapacitors	47.041	N/A	30,708
Passed through Northern Kentucky University Research Foundation - The TIM Consortium: a Dispersed REU Site in Theoretically Interesting Molecules	47.049	N/A	<u>1,274</u>
Total National Science Foundation			815,332

# Grand Valley State University

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2015

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:			
Class D Cabapenemases-Defining the Role of Cabapenem Conformational Changes - Direct	93.855	N/A	\$ 122,002
Passed through National Institutes of Health -			
Mapping the Binding State of Class D Beta-Lactamase Enzymes for Inhibitor Design			
And Discovery	93.855	IR15AI094489-01	124,931
Passed through University of Nebraska -			
Global Genomic and Proteomic Profiling of African Children with Typhoid Fever	93.855	N/A	177,719
Passed through Case Western Reserve University -			
Understanding B-Lactam Resistance in Acinetobacter Baumannii	93.855	N/A	50,011
Passed through University of Oklahoma -			
Sourcing Bioactive Secondary Metabolites from Great Lakes Fungi	93.859	N/A	90,587
Wayfinding in Aging and Alzheimer's Disease within a Virtual Senior Residence -Direct	93.866	IR15AG037946-01A1	49,401
			<u>614,651</u>
Total U.S. Department of Health and Human Services			
U.S. Department of Agriculture:			
Evaluation of the Historical Demography of Vampire Bats in Northern Mexico - Direct	10.028	N/A	8,429
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	100,685
Passed through West Michigan Environmental Action Council - Stormwater Green Infrastructure			
Ecosystem Services Calculator	10.675	N/A	6,269
Passed through Muskegon Conservation District - City of Muskegon Site Determination			
and Implementation	10.675	N/A	485
			<u>115,868</u>
Total U.S. Department of Agriculture			
U.S. Department of Transportation -			
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	31,888
U.S. Department of Commerce:			
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	5,089
Lake Sentinel-Observatory for Ecosystem Changes in Muskegon Lake AOE - Direct	11.432	NA12OAR4320071	16,658
Passed through University of Michigan - 2012 OHH: HABS Beach and Quality Forecasting	11.432	3002609222	1,408
Passed through West Michigan Shoreline Regional Development Commission:			
Bear Creek Hydrologic Reconnection and Wetland Restoration	11.463	752217	1,108
			<u>24,263</u>
Total U.S. Department of Commerce			
U.S. Department of Energy -			
Passed through Vinazene Corp. - A Single Substance Organic Rebox Flow Battery	81.049	N/A	51,281
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	1,955
Passed through The Research Foundation for the State University of New York:			
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	26,732
Uncovering Skin Immune Proteins as Predictors of Resistance Against WNS	15.657	#69206	18,973
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	11,515
			<u>59,175</u>
Total U.S. Department of Interior/Fish and Wildlife Service			
Total Research and Development Cluster			<u>2,154,429</u>

# Grand Valley State University

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2015

Program Title/Project Number/Subrecipient Name	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Clusters (Continued):			
Special Education Cluster - U.S. Department of Education -			
Passed through the State of Michigan Department of Education			
Autism START Project I3-14	84.027	N/A	\$ 713,221
Autism START Project I4-15	84.027	N/A	754,964
Total Special Education Cluster			1,468,185
Highway Planning and Construction Cluster - U.S. Department of Transportation -			
Passed through the Michigan Department of Transportation -			
Little Black Creek Project	20.205	MDOT 90162	469
Other federal awards:			
U.S. Small Business Administration - Direct:			
SBTDC 2013 Carryover Project	59.037	N/A	148,796
SBTDC 2014 Project	59.037	N/A	1,632,212
SBTDC 2014 Carryover Project	59.037	N/A	141,291
SBTDC 2015 Project	59.037	N/A	1,519,999
Total U.S. Small Business Administration			3,442,298
U.S. Department of Education:			
Passed through Michigan Strategic Fund/Workforce Development Agency -			
Michigan GEAR UP/College Day Program	84.334S	N/A	42,609
Passed through University of California at Berkeley			
2014-2016 SEED Teacher Leadership Development	84.367	N/A	9,995
Passed through Michigan Department of Education:			
Title II, Part A(3) Improving Teacher Quality: Science Teacher Education and			
Development (STEAD) 3	84.367B	N/A	128,110
Passed through Wayne RESA - Promoting Reform in Mathematics Education -			
Developing Mathematical Thinkers	84.366B	N/A	90,902
Total U.S. Department of Education			271,616
U.S. Department of Health and Human Services:			
Passed through University of Texas - Certificate in MCH Public Health	93.110	N/A	30,578
ADVANCE Nursing Workforce Diversity - Direct	93.178	N/A	474
Advanced Education Nursing Traineeship - Direct	93.358	A10HP25178	349,380
Passed through Michigan Department of Community Health -			
Nurse Education, Practice Quality, and Retention - Interprofessional			
Collaborative Practice	93.359	20151068-00	311,510
Affordable Care Act - Expansion of Physician Assistant Training Program - Direct	93.514	N/A	502,260
Passed through Center for Disease Control - Passed through Spectrum Health Hospitals:			
Community Transformational Grant: Capacity-building for Kent County, MI	93.531	N/A	2,844
Physician Assistant Training in Primary Care - Direct	93.884	D57HP25318	297,107
Rural Health Care Services Outreach Grant Program	93.912	N/A	6,513
Passed through Michigan State University - Geriatrics Education Center of Michigan	93.969	N/A	2,700
Total U.S. Department of Health and Human Services			1,503,366

# Grand Valley State University

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2015

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	N/A	\$ 7,523
Child Care Food Service	10.608	N/A	11,352
Rural-Focused Agricultural Innovation and Entrepreneurship Training Programs - Direct	10.769	N/A	<u>20,286</u>
Total U.S. Department of Agriculture			39,161
U.S. Department of Commerce -			
Passed through National Oceanic and Atmospheric Administration - Groundswell FORCES	11.429	N/A	41,382
U.S. Department of Defense - PI Mu Epsilon 2014 Centennial Conference			
	12.901	N/A	12,000
U.S. Department of Justice:			
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	86,108
Passed through Michigan Office of Highway Safety Planning - County of Ottawa:			
Youth Alcohol Enforcement 2014	16.727	AL-14-08	6,107
Youth Alcohol Enforcement 2015	16.727	AL-15-11	<u>736</u>
Total U.S. Department of Justice			92,951
National Endowment for Humanities -			
Passed through the Michigan Humanities Council			
Documenting the Urban Native American Experience in Grand Rapids	45.129	MHC Grant Q016-14 P	<u>1,000</u>
Total federal awards			<u>\$ 215,463,747</u>

# Grand Valley State University

## Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2015

### Note 1 - Basis of Presentation

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, 2015. The information in this Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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 of Grand Valley State University.

### Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-21, *Cost Principles for Educational Institutions*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

### Note 3 - Adjustments and Transfers

The University carried forward \$112,070 of the 2014-2015 Supplemental Education Opportunity Grant (84.007) 2014-2015 award to the 2015-2016 award year and \$126,580 of Supplemental Education Opportunity Grant funds from the 2013-2014 award year were carried forward and spent in the 2014-2015 award year.

In addition, the University carried forward \$22,750 of Federal Work Study to the 2015-2016 award year.

### Note 4 - 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 \$1,453,690 of Perkins Loans and \$78,895 of Nursing Loans.

# Grand Valley State University

## Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2015

### Note 4 - 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, 2015.

### Note 5 - 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. Small Business Administration:		
Michigan Small Business and Technology Development Center Headquarters - 2014	59.037	\$ 1,282,872
Michigan Small Business and Technology Development Center Headquarters - 2015	59.037	1,226,463
Total U.S. Small Business Administration		2,509,335
U.S. Department of Health and Human Services - Wayfinding in Aging and Alzheimer's Disease Within a Virtual Senior Residence	93.866	5,158
U.S. Environmental Protection Agency:		
Lower Grand River Educational Initiatives	66.460	19,593
Coordinated Vessel-Based Education & Outreach	66.469	72,535
Total U.S. Environmental Protection Agency		92,128
US Department of Education - TRIO Cluster - TRIO - Ronald E. McNair Post-Baccalaureate Achievement Program	84.217	6,662
Total federal awards provided to subrecipients		\$ 2,613,283

# Grand Valley State University

## Schedule of Findings and Questioned Costs Year Ended June 30, 2015

### 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:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.268, 84.007, 84.033, 84.063, 84.038, 84.379, and 93.364	Student Financial Assistance Cluster
84.047, 84.044A, 84.042, and 84.217	TRIO Cluster
84.027	Special Education Cluster
93.359	Nurse Education, Practice Quality, and Retention - Interprofessional Collaborative Practice

Dollar threshold used to distinguish between type A and type B programs: \$310,971

Auditee qualified as low-risk auditee?  Yes  No



# Grand Valley State University

## Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2015

### Section II - Financial Statement Audit Findings

None

### Section III - Federal Program Audit Findings

Reference  
Number

Finding

2015-001

**Program Name** - TRIO Cluster - Upward Bound - CFDA #84.047

**Pass-through Entity** - U.S. Department of Education

**Finding Type** - Significant deficiency

**Criteria** - The University's expenditures included in request for reimbursement are limited to expenditures allowable by the grant agreement.

**Condition** - The University's internal procedures failed to reallocate expenditures made on a departmental purchasing card that were not allowable under the grant agreement.

**Questioned Costs** - Total known questioned costs of \$300.

**Context** - Out of \$10,117 of vendor disbursements selected for testing, one expenditure totaling \$300 was identified where expenditures submitted were not an allowable cost of the grant agreement. Based on the sample selected, the known error is estimated to be less than one percent of the total potential error and would not be significant to the grant.

**Cause and Effect** - Although the University has a thorough internal review process, there was a new clerical staff person that had not yet learned the entire system and the current supervisor did not reallocate the costs to an internal cost center. Therefore, certain expenditures were submitted for reimbursement that were not allowable under the grant agreement.

**Recommendation** - The University should move the expense to an internal cost center and review its policies and procedures for expenditures made on purchasing cards to ensure expenditures are allowable under the grant agreement.

# Grand Valley State University

## Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2015

### Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding
2015-001 (Continued)	<b>Views of Responsible Officials and Planned Corrective Actions</b> - The University has removed the unallowable costs from the grant expenditure report (a multi-year grant), has communicated to the campus community the responsibility to only charge and approve allowable expenses. In addition, the department responsible has cancelled their purchasing card to ensure it doesn't happen again. The University also has enhanced the routine audits done for purchasing cards to specifically review for certain types of expenditures.

# Grand Valley State University

## Summary Schedule of Prior Audit Findings Year Ended June 30, 2015

<u>Prior year Finding Number</u>	<u>Federal Program</u>	<u>Original Finding Description</u>	<u>Status</u>	<u>Planned Corrective Action</u>
2014-001	Student Financial Aid Cluster - Direct Loan Program - CFDA #84.268	Student was awarded additional aid that caused the student to exceed the maximum federal loan limit	Fully corrected	N/A



February 24, 2016

Federal Audit Clearing House  
RE: Grand Valley State University  
Corrective Action Plan  
Fiscal Year Ended June 30, 2015

Finding Number: 2015-001

Condition: The University's internal procedures failed to reallocate expenditures made on the purchasing card that were not allowable under the grant agreement.

Corrective Action Plan: The charges have been reallocated to an internal cost center. All other purchasing card expenditures have been reviewed for allowability. The purchasing card for this grant has been inactivated. The Procurement Services department will establish routine audit procedures that will look for certain unallowable purchases.

Responsible Individuals: Arnie Smith-Alexander, TriO Upward Bound and Kim Patrick, Director of Procurement Services

Date by which the Corrective Action will be implemented: February 24, 2016