

Grand Valley State University

**Federal Awards
Supplemental Information
June 30, 2006**

Grand Valley State University

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Independent Auditor's Report

To the Board of Trustees
Grand Valley State University

We have audited the basic financial statements of Grand Valley State University for the year ended June 30, 2006 and have issued our report thereon dated September 27, 2006. Those basic financial statements are the responsibility of Grand Valley State University. Our responsibility was to express an opinion on those basic financial statements based on our audit.

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

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

Plante & Moran, PLLC

September 27, 2006



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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*

To the Board of Trustees
Grand Valley State University

We have audited the financial statements of Grand Valley State University as of and for the year ended June 30, 2006 and have issued our report thereon dated September 27, 2006. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Grand Valley State University's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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*.

To the Board of Trustees
Grand Valley State University

This report is intended solely for the information and use of the board of trustees, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Plante & Moran, PLLC

September 27, 2006



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Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

To the Board of Trustees
Grand Valley State University

Compliance

We have audited the compliance of Grand Valley State University with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2006. The major federal programs of Grand Valley State University are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Grand Valley State University's management. Our responsibility is to express an opinion on Grand Valley State University's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Grand Valley State University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Grand Valley State University's compliance with those requirements.

In our opinion, Grand Valley State University complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

To the Board of Trustees
Grand Valley State University

Internal Control Over Compliance

The management of Grand Valley State University is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Grand Valley State University's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the board of trustees, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Plante & Moran, PLLC

September 27, 2006

Grand Valley State University

Schedule of Expenditures of Federal Awards Year Ended June 30, 2006

Program Title/Project Number/Subrecipient Name	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Clusters:			
Student Financial Aid Cluster:			
U.S. Department of Education - Direct Programs:			
William D. Ford Direct Loan Program	84.268	P268K011378	\$ 73,739,447
Federal Supplemental Education Opportunity Grant Program	84.007	P007A42012	1,303,322
Federal Work Study Program	84.033	P033A42012	1,015,038
Federal Perkins Loan Program	84.038	P038A52012	2,316,797
Federal Pell Grant Program	84.063	P063P33265/43265	<u>10,575,066</u>
Total Student Financial Aid Cluster			88,949,670
TRIO Cluster:			
U.S. Department of Education - Direct Programs:			
TRIO - Upward Bound	84.047	PO47A20464	430,520
TRIO - Upward Bound Math/Science	84.047	PO47M20031	288,526
TRIO - Student Support Services	84.042	P044A10252/40497	290,028
TRIO - Educational Connections	84.044	P042A30792	322,227
TRIO - Ronald E. McNair Post-Baccalaureate Achievement Program	84.217	P217A50004	<u>228,803</u>
Total TRIO Cluster			1,560,104
Research and Development Cluster -			
Environmental Protection Agency - Direct Programs:			
GLNPO Mona Lake	66.469		17,313
Develop Delisting Targets	66.469		1,007
Lake Michigan Tour	66.469		19,340
Passed through Michigan Department of Environmental Quality:			
Muskegon River Transition/Implementation I	66.460		42,838
Preparation of Manuals and Guidance Documents for Wetland Bioassessment in Michigan	66.461		1,124

Grand Valley State University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2006

Program Title/Project Number/Subrecipient Name	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Clusters (Continued):			
Research and Development Cluster (Continued):			
Environmental Protection Agency - Direct Programs (Continued):			
Passed through Michigan State University - Depressional			
Wetlands	66.unknown		\$ 6,208
Passed Through Grand Valley Metro Council - Lower			
Grand River	66.460		5,554
Passed Through Great Lakes Commission - Mona			
Lake 319	66.460		<u>15,169</u>
Total Environmental Protection Agency			108,553
National Aeronautics and Space Administration:			
Passed Through Michigan Space Grant Consortium:			
MSGC 06 Zeman	43.unknown		2,831
MSGC 06 Brusnahan	43.unknown		1,653
MSGC 06 Siladke	43.unknown		1,115
MSGC 06 Broadway	43.unknown		1,000
MSGC 06 Dill	43.unknown		6,475
MSGC GLOBE 2006	43.unknown		2,563
MSGC Movement of Round Goby	43.unknown		594
MSGC Management 05-06	43.unknown		2,604
MSGC 05 PC/PO/TT Meyers	43.unknown		9,000
MSGC 05 PO/TT/SA Joseph	43.unknown		9,470
MSGC 05 PC Decker - Camps	43.unknown		5,000
MSGC 05 PC/SA Dill - Steps	43.unknown		7,557
MSGC 05 PC Dill - Research	43.unknown		5,000
MSGC 05 UG - Siladke	43.unknown		1,616
MSGC 05 UG - Nelson	43.unknown		1,616
MSGC 05 Microbial Life	43.unknown		3,025
MSGC 05 Globe	43.unknown		3,911
MSGC 05 Phosphorus Loading	43.unknown		4,044
MSGC 04 MGMT	43.unknown		96

Grand Valley State University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2006

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 (Continued):			
Passed Through Michigan Space Grant Consortium (Continued):			
MSGC HE/PO/SA - Joseph	43.unknown		\$ 1,006
MSGC 04 Seed - Colgan	43.unknown		141
MSGC 04 Furton	43.unknown		445
Passed Through Harvard-Smithsonian Center for Astrophysics -			
Inside Einstein's Universe Informal Science Education	43.unknown		1,566
Passed Through South Dakota State University -			
Evaluating of the Effects of Institutional Change on Regional Hydrometeorology - Assessing the Vulnerability of the Eurasian Semi Arid Grain Belt	43.001		<u>36,740</u>
Total National Aeronautics and Space Administration			109,068
National Science Foundation:			
REU 05-06	47.049		45,693
NSF Ambrose-Tutor in Intermediate Mechanics	47.unknown		17,586
NSF Multiple Mating	47.074		12,340
NSF RUI: Quantifying Calcite Flux and the Organic Carbon to Calcite Flux Ratio in the Tropical and Subtropical World Ocean	47.050		32,480
NSF: Due Grissom 2004-06	47.076		86,663
NSF: Target Inquiry: Investigating the Teacher and Student Effects of a New Model in Chemistry Teacher Professional Development	47.076		38,340
Passed Through Loyola University -			
Social Sharedness	47.075	SBR-09730822	3,575

Grand Valley State University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2006

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 (Continued):			
Passed Through Ohio State University Foundation - Relational Concepts	47.076		\$ 5,000
Passed Through Western Michigan University - Math GVSU/WMU - Walker	47.076		46,506
Passed Through The University of California - Davis - TORMOZ - McClinton	47.074		10,357
Passed Through The University of Kansas:			
NSF University of Kansas - Menon	47.074		487
NSF Trefftz	47.070		<u>9,837</u>
Total National Science Foundation			308,864
U.S. Department of Agriculture:			
Passed Through Conservation Research Alliance - Evaluation of Erosion Control Best Management Practices in Streams	66.469		9,797
Passed Through Michigan Department of Natural Resources - Forestland Evaluation Pilot Project	10.664		<u>8,388</u>
Total U.S. Department of Agriculture			18,185
U.S. Department of Interior - Quaternary Geologic Mapping of the Sullivan, Michigan Quadrangles	15.810		3,440
Department of Natural Resources - Wildlife Division - Passed Through Michigan Department of Natural Resources - MDNR Karner Blue Butterfly	15.634		42,505

Grand Valley State University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2006

Program Title/Project Number/Subrecipient Name	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Clusters (Continued):			
Research and Development Cluster (Continued):			
U.S. Fish & Wildlife Service:			
GLCP Goby Project	15.608		\$ 4,392
MI WILD-MDNR 03-04	15.634		17,227
Passed through the Little River Band of Ottawa Indians - Assessment of Riparian Habitat Restoration in the Manistee River Corridor	15.638		49,838
U.S. Department of Commerce - PTFP Grant	11.550		33,941
USDA Forest Service - S01 Forest Ser Trier	10.664		(26)
U.S. Department of Defense - Dept of Air Force - Passed Through Sordal Corporation - Smart/Sordal Contract	12.800		<u>14,994</u>
Total Research and Development Cluster			710,981
Special Education Cluster - Passed through the State of Michigan - Department of Education:			
Autism START Project 04-05	84.027		409,859
Autism START Project 05-06	84.027		<u>651,307</u>
Total Special Education Cluster			1,061,166
Other Federal Awards:			
U.S. Small Business Administration - Michigan Small Business and Technology Development Center:			
SBTDC 2005 Project	59.037		1,893,326
SBTDC 2006 Project	59.037		<u>728,598</u>
Total U.S. Small Business Administration			2,621,924

Grand Valley State University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2006

Program Title/Project Number/Subrecipient Name	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Other Federal Awards (Continued):			
U.S. Department of Education:			
I-Team 2003-2005	84.153		\$ 49,736
HPS - Middle School Math	84.215		18,335
Alert Model Program	84.184		30,387
FIPSE - Teacher Academy	84.116		101,061
FIE-Urban Teacher Academy	84.215		77,668
Passed through National Writing Project Corporation:			
National Writing Project	84.928		47,674
U of M Writing School Project	84.928		527
Passed through Public Broadcasting Service -			
Ready to Learn	84.295		(1,688)
Passed through the State of Michigan - Department of Education:			
Dreams II - Joseph	84.367		397
Building Math Leaders	84.367		143,958
Success NCLB	84.367		180,197
BSL - GLF 2	84.367		4,725
NCLB Teacher Enhancement Grant for 9th Grade Civics Project	84.367		<u>54,726</u>
Total U.S. Department of Education			707,703
U.S. Department of Health and Human Services:			
Advance Nursing Traineeship	93.358		36,091
NIH Bridges Grant	93.960		8,030
Federal Disadvantaged Students	93.342		106,325
Family Independence Agency 2005 and 2004	93.unknown		20,341
MSW Child Welfare Specialty Field Supervision Services	93.unknown		36,007
National Institute of Child HHD-DHHS -			
Naltrexone Sensitivity	93.273		7,476
Passed through the Michigan Department of Community Health - MDCH			
	93.778		30,825

Grand Valley State University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2006

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 (Continued):			
Passed through Michigan State University - GEC - M Grant	93.969		\$ 25,753
Passed through the Area Agency on Aging of West Michigan, Inc. - Chronic Disease Self Mgmt/Aging	93.048		19,705
Passed through Network 180: Making Sobriety Attractive	93.276		57,726
Town Hall	93.unknown		813
Passed through Spectrum Health Hospital Accelerated Healthcare Training Initiative	93.137		<u>408,299</u>
Total U.S. Department of Health and Human Services			757,391
U.S. Department of Agriculture:			
TRIO Food	10.unknown		10,538
Child Care Food	10.unknown		<u>7,046</u>
Total U.S. Department of Agriculture			17,584
U.S. Department of Energy - Green Power Technology Development	81.079		100,841
U.S. Department of State - UCC Grant	19.unknown		27,914
U.S. Department of Transportation -			
Passed through the MI Office of Highway: Safety Planning - OHSP Party Patrol	20.600		4,983
JJ-06-02 Youth Alcohol Enforcement	20.600		<u>2,623</u>
Total U.S. Department of Transportation			7,606

Grand Valley State University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2006

Program Title/Project Number/Subrecipient Name	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Other Federal Awards (Continued):			
U.S. Department of Commerce (DOC-NOAA):			
Passed through Great Lakes Coastal Restoration - Beach Grooming	11.unknown		\$ (2,002)
Passed through the Michigan Department of Environmental Quality Coastal Wetland Fragmentation	11.unknown		<u>48,398</u>
Total U.S. Department of Commerce			46,396
U.S. Department of Justice:			
2004 - Project Safe Neighborhood	16.609		549,090
Central City Weed & Seed	16.unknown		1,903
Passed through Michigan Council and Delinquency and Public Broadcast System - Project Safe Neighborhoods Media Consultant Grant	16.unknown	2003-GP-CX-0118	<u>4,080</u>
Total U.S. Department of Justice			555,073
U.S. Department of Homeland Security - Passed through the Michigan State University - Disaster Preparedness/Planning Services: Intelligence Fusion Center			
	97.067		11,314
U.S. Department of Labor - Passed through the Michigan Department of Labor and Economic Growth West Michigan WIRED (GVSU is fiscal agent for West Michigan Strategic Alliance)			
	17.261		210,215
U.S. Department of Housing and Urban Development - Renovations of a Research Facility, Training and Education Space			
	14.246		<u>620</u>
Total federal awards			<u>\$97,346,502</u>

Grand Valley State University

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2006

Note 1 - Significant Accounting Policies

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Grand Valley State University (the "University") and is presented on the same basis of accounting as the basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 - Loans Outstanding

The amount presented for Federal Perkins Loans represents the new loans advanced during the year ended June 30, 2006 of \$2,316,797. Loan balance outstanding of \$9,746,346 at June 30, 2006 includes \$7,429,549 for the balance of loans from previous years for which the government imposed continuing compliance requirements. The reported expenditures also include administration and collection costs. There were no federal contributions during the year ended June 30, 2006.

Outstanding loans under the Nursing Student Loan Program were \$158,527 at June 30, 2006. There were no federal contributions for this program during the year ended June 30, 2006.

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

Note 3 - Federal Work Study

As allowable and in accordance with federal regulations issued by the Department of Education, the University spent Federal Work Study dollars of \$1,015,038, net of \$33,555 for prior year funds expended in the current fiscal year, based on the current year award. The amounts expended have been adjusted from amounts spent into prior award years and amounts transferred to the Federal Supplemental Employment Opportunity Grant spending. The Federal Work Study expenditures for the year ended June 30, 2006 are adjusted for \$220,765 transferred to and spent in the Federal Supplemental Opportunity Grants.

Grand Valley State University

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2006

Note 4 - Subrecipient Awards

Of the federal expenditures presented in the schedule of expenditures of federal awards, federal awards were provided to subrecipients as follows:

Program Title/Project Number/Subrecipient Name	CFDA Number	Current Year Cash Transferred to Subrecipient
U.S. Department of Justice-Project Safe Neighborhood	16.609	\$ 416,861
U.S. Department of Health and Human Services:		
NIH Bridges Grant	93.960	8,030
GEC-M Grant Year 3	93.969	<u>10,131</u>
Total U.S. Department of Health and Human Services		18,161
National Science Foundation - DUE Grissom	47.076	52,065
U.S. Department of Education:		
Autism START Project 04-05	84.027A	229,535
Autism START Project 05-06	84.027A	<u>113,249</u>
Total U.S. Department of Education		342,784
U.S. Environmental Protection Agency: GLNPO Mona Lake	66.469	618
U.S. Small Business Administration:		
Michigan Small Business and Technology Development Center Headquarters-2005	59.037	1,445,305
Michigan Small Business and Technology Development Center Headquarters-2006	59.037	<u>818,397</u>
Total U.S. Small Business Administration		2,263,702
U.S. Department of Labor - West Michigan WIRED	17.261	<u>79,000</u>
Total federal awards provided to subrecipients		<u>\$ 3,173,191</u>

Grand Valley State University

Schedule of Findings and Questioned Costs Year Ended June 30, 2006

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Reportable condition(s) identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major program(s):

- Material weakness(es) identified? Yes No
- Reportable condition(s) identified that are not considered to be material weaknesses? Yes None reported

Type of auditor's report issued on compliance for major program(s): Unqualified

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

Identification of major program(s):

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

Dollar threshold used to distinguish between type A and type B programs: \$931,098

Auditee qualified as low-risk auditee? Yes No

Grand Valley State University

Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2006

Section II - Financial Statement Audit Findings

Reference Number	Findings
	None

Section III - Federal Program Audit Findings

Reference Number	Findings
	None