

Grand Valley State University

**Federal Awards
Supplemental Information
June 30, 2005**

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, 2005 and have issued our report thereon dated August 26, 2005. Those basic financial statements are the responsibility of the management of Grand Valley State University. Our responsibility was to express an opinion on those basic financial statements based on our audit.

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

Our audit was 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

August 26, 2005

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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, 2005 and have issued our report thereon dated August 26, 2005. 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

August 26, 2005

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, 2005. 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, 2005.

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

August 26, 2005

Grand Valley State University

Schedule of Expenditures of Federal Awards Year Ended June 30, 2005

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	\$ 68,758,319
Federal Supplemental Education Opportunity Grant Program	84.007	P007A42012	1,303,322
Federal Work Study Program	84.033	P033A42012	1,092,245
Federal Perkins Loan Program	84.038	P038A52012	2,231,734
Federal Pell Grant Program	84.063	P063P33265/43265	<u>11,025,255</u>
Total Student Financial Aid Cluster			84,410,875
TRIO Cluster:			
U.S. Department of Education - Direct Programs:			
TRIO - Upward Bound	84.047	PO47A20464	541,211
TRIO - Upward Bound Math/Science	84.047	PO47M20031	244,198
TRIO - Student Support Services	84.042	P044A10252/40497	300,633
TRIO - Educational Connections	84.044	P042A30792	319,848
TRIO - Ronald E. McNair Post-Baccalaureate Achievement Program	84.217	P217A50004	<u>259,308</u>
Total TRIO Cluster			1,665,198
Research and Development Cluster -			
Environmental Protection Agency - Direct Programs:			
Lake Macatawa	66.469		26,218
Muskegon Transition	66.460		43,331
GLNPO Mona Lake	66.469		60,056
Uzarski Mona Lake	66.469		22,587
State of Lake MI 03	66.469		2,324
Delisting AOC-S	66.469		8,116
EPA Tour 2003	66.469		1,417
EPA Tour 2004	66.469		19,175
Passed Through Grand Valley Metro Council - Lower Grand River	66.460		16,993
Passed Through Michigan State University - Depressional Wetlands	66.unknown		24,027

Grand Valley State University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2005

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 Great Lakes Commission:			
Mona Lake 319	66.460		\$ 16,127
Amended SOLEC	66.469		24,650
Passed Through the Michigan Dept. of Environmental Quality - LCWM GIS Contract			
	66.unknown		<u>10,000</u>
Total Environmental Protection Agency			275,021
National Aeronautics and Space Administration -			
Passed Through Michigan Space Grant Consortium:			
Vail MSGC 2003	43.unknown		1,489
04 MSGC Seed - Colgan	43.unknown		2,859
MSGC 05 - Phosphorus LD	43.unknown		956
MSGC 05 Globe	43.unknown		1,089
MSGC 05 Microbial Life	43.unknown		1,975
IEU - 05	43.unknown		434
Seed Grant S03 Menon	43.unknown		644
S03 MSGC Management	43.unknown		2,508
S04 MSGC Seed Grant - Furton	43.unknown		1,599
S04 MSGC PreCollege - Decker	43.unknown		3,800
S04 MSGC PC/SA Dill	43.unknown		4,557
S04 MSGC HE/PO/SA - Joseph	43.unknown		10,668
S05 MSGC UG Fellowship-Nelson	43.unknown		884
S05 MSGC UG Fellowship-Siladke	43.unknown		884
MSGC 04 Globe Project	43.unknown		<u>1,583</u>
Total National Aeronautics and Space Administration			35,929
National Science Foundation:			
REU 05-06	47.049		31,435
NSF Weber Carribean	47.050		4,685
RUI - Mekik	47.050		9,720
DUE Grissom 2004-2006	47.076		38,061
NSF Multiple Mating	47.074		11,449
NSF REU 04-05 Math	47.049		15,021
Passed Through Loyola University -			
Social Sharedness	47.075	SBR-09730822	22,309

Grand Valley State University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2005

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 - Relational Concepts	47.076		\$ 33,406
Passed Through Western Michigan University - Math GVSU/WMU - Walker	47.076		41,970
Passed Through The University of California - Davis - TORMOZ - McClinton	47.074		8,584
Passed Through The University of Kansas:			
NSF University of Kansas - Menon	47.074		20,652
NSF Trefftz	47.070		<u>6,051</u>
Total National Science Foundation			243,343
U.S. Department of Agriculture - Passed Through Conservation Resource Alliance - USDA/CRA Contract	66.469		1,703
U.S. Department of Interior:			
Map Muskegon Quadrangles	15.810		4,557
Map Sullivan Twp MI Quadrangles	15.810		461
Department of Natural Resources - Wildlife Division - Passed Through Michigan Department of Natural Resources - MDNR Karner Blue Butterfly	15.634		5,767
U.S. Fish & Wildlife Service:			
GLCP Goby Project	15.608		5,608
MI WILD-MDNR 03-04	15.634		10,513
Passed through the Little River Band of Ottawa Indians - Snyder-Riparian Habitats	15.638		42,883
U.S. Department of Commerce - PTFP Grant	11.550		54,114
USDA Forest Service - S01 Forest Ser Trier	10.664		9,020

Grand Valley State University

Schedule of Expenditures of Federal Awards Year Ended June 30, 2005

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 Defense - Dept of Air Force - Passed Through Sordal Corporation - Smart/Sordal Contract	12.800		\$ 23,520
Total Research and Development Cluster			712,439
Special Education Cluster - Passed through the State of Michigan - Department of Education:			
Autism START Project 03-04	84.027		508,133
Autism START Project 04-05	84.027		643,891
Total Special Education Cluster			1,152,024
U.S. Small Business Administration - Michigan Small Business and Technology Development Center	59.037		2,796,829
U.S. Department of Education:			
I-Team 2003-2005	84.153		52,815
HPS - Middle School Math	84.215		31,370
Alert Model Program	84.184		96,848
FIPSE - Teacher Academy	84.116		198,159
FIE-Urban Teacher Academy	84.215		82,382
CAMPIS Grant	84.335		49,769
Passed through National Writing Project Corporation - National Writing Project	84.928		28,547
Passed through Ottawa Area ISD - School-Wide (OAISD)	84.324		25,987
Passed through Public Broadcasting Service - Ready to Learn	84.295		44,741

Grand Valley State University

Schedule of Expenditures of Federal Awards Year Ended June 30, 2005

Program Title/Project Number/Subrecipient Name	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Clusters (Continued):			
U.S. Department of Education (Continued):			
Passed through the State of Michigan			
Department of Education:			
Idea CSPG Grant	84.181		\$ 31,428
Dreams II - Joseph	84.367		97,684
Building Math Leaders	84.367		64,222
Success NCLB	84.367		39,871
BSL - GLF 2	84.367		<u>114,472</u>
Total U.S. Department of Education			958,295
U.S. Department of Health and Human Services:			
Advance Nursing Traineeship	93.358		50,972
NIH Bridges Grant	93.960		116,102
Federal Disadvantaged Students	93.342		92,310
Family Independence Agency 2004	93.unknown		24,990
Family Independence Agency 2005	93.unknown		49,929
National Institute of Child HHD-DHHS -			
Naltrexone Sensitivity	93.273		48,328
Passed through the University of Pennsylvania -			
Scott-PA Research	93.226		226
Passed through the University of Kansas - NIH			
Lancaster	93.865		172
Passed through the Michigan Department of Community			
Health - MDCH	93.778		12,823
Passed through Michigan State University - GEC -			
M Grant	93.969		20,974
Passed through the University of Pennsylvania -			
Scott - PA Research	93.226		5,541
Passed through the Area Agency on Aging of West			
Michigan, Inc. - Chronic Disease Self Mgmt/Aging	93.048		<u>23,744</u>
Total U.S. Department of Health and Human Services			446,111
U.S. Department of Agriculture - TRIO Food Account	10.unknown		9,222

Grand Valley State University

Schedule of Expenditures of Federal Awards Year Ended June 30, 2005

Program Title/Project Number/Subrecipient Name	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Clusters (Continued):			
U.S. Department of Energy - Green Power Technology Development	81.079		\$ 135,762
U.S. Department of State - UCC Grant	19.unknown		20,045
U.S. Department of Transportation - Passed through the MI Office of Highway - Safety Planning - OHSP Party Patrol	20.600		2,413
U.S. Department of Commerce (DOC-NOAA) - Passed through Great Lakes Coastal Restoration - Beach Grooming	11.unknown		36,562
Passed through Institute for Exploration - NOAA Collaborative	11.unknown		<u>5,022</u>
Total U.S. Department of Commerce			41,584
U.S. Department of Justice:			
2004 - Project Safe Neighborhood	16.609		317,918
2003 - Project Safe Neighborhood	16.609		26,994
Passed through Michigan Council and Delinquency and Public Broadcast System - Project Save Neighborhoods Media Consultant Grant	16.unknown	2003-GP-CX-0118	<u>5,452</u>
Total U.S. Department of Justice			350,364
U.S. Department of Homeland Security - Passed through the Michigan State Police - Emergency Management Division - DPS 2004 Exercise	97.004		<u>5,757</u>
Total federal awards			<u><u>\$92,706,918</u></u>

Grand Valley State University

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2005

Note 1 - Significant Accounting Policies

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Grand Valley State 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, 2005 of \$2,231,734. Loan balance outstanding of \$9,859,308 at June 30, 2005 includes \$7,627,574 for the balance of loans from previous years for which the government imposed continuing compliance requirements. The reported expenditures also include administration and collection costs. Federal capital contributions were \$121,226 and the University's capital contributions were \$40,409 during the year ended June 30, 2005.

Outstanding loans under the Nursing Student Loan Program were \$154,206 at June 30, 2005. There were no federal contributions for this program during the year ended June 30, 2005.

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

Note 3 - Federal Work Study

As allowable and in accordance with federal regulations issued by the Department of Education, the University spent Federal Work Study dollars of \$1,092,245, net of \$73,903 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, 2005 are adjusted for \$175,763 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, 2005

Note 4 - Subrecipient Awards

Of the federal expenditures presented in the schedule, 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	\$ 312,142
U.S. Department of Health and Human Services:		
NIH Bridges Grant	93.960	50,918
GEC - M Grant Year 2	93.969	<u>10,920</u>
Total U.S. Department of Health and Human Services		61,838
National Science Foundation:		
RUI - Mekik	47.050	4,076
DUE Grissom	47.076	<u>34,577</u>
Total National Science Foundation		38,653
U.S. Department of Education - Autism START Project	84.027A	436,581
U.S. Environmental Protection Agency:		
Amended SOLEC	66.469	7,800
Lake Macatawa	66.469	18,000
GLNPO Mona Lake	66.469	<u>31,882</u>
Total National Science Foundation		57,682
U.S. Small Business Administration -		
Michigan Small Business and Technology Development Center Headquarters	59.037	<u>1,886,659</u>
Totals		<u>\$ 2,793,555</u>

Grand Valley State University

Schedule of Findings and Questioned Costs Year Ended June 30, 2005

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
47.049, 47.050, 47.076, 47.074, 47.075, 47.076, 47.070, 12.800, 10.664, 66.469, 66.460, 11.550, 15.810, 15.608, 15.634, 15.638	Research and Development Cluster

Dollar threshold used to distinguish between type A and type B programs: \$651,506

Auditee qualified as low-risk auditee? Yes No

Grand Valley State University

Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2005

Section II - Financial Statement Audit Findings

Reference Number	Findings
	None

Section III - Federal Program Audit Findings

Reference Number	Findings
	None