

Central Michigan University

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

Central Michigan University

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Independent Auditor's Report

To the Board of Trustees
Central Michigan University

We have audited the financial statements of Central Michigan University (the "University") and its discretely presented component unit as of and for the year ended June 30, 2012, which collectively comprise the University's basic financial statements, and have issued our report thereon dated September 20, 2012, which contained unqualified opinions on those financial statements. These basic financial statements are the responsibility of the University's management. Our responsibility is to express opinions on these basic financial statements based on our audit. We have not performed any procedures with respect to the audited financial statements subsequent to September 20, 2012. We did not audit the financial statements of Central Health Advancement Solutions, which represent all of the assets and revenues of the discretely presented component unit. Those financial statements were audited by other auditors, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Central Health Advancement Solutions, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of Central Health Advancement Solutions were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 opinions.

To the Board of Trustees
Central Michigan University

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Central Michigan University's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Plante & Moran, PLLC

September 20, 2012

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

Independent Auditor's Report

To the Board of Trustees
Central Michigan University

We have audited the financial statements of Central Michigan University (the "University") and its discretely presented component unit as of and for the year ended June 30, 2012, which collectively comprise the University's basic financial statements, and have issued our report thereon dated September 20, 2012. Our report was modified to include reference to other auditors. We have 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. Other auditors audited the financial statements of Central Health Advancement Solutions (CHAS), as described in our report on Central Michigan University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Central Health Advancement Solutions (CHAS) were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

To the Board of Trustees
Central Michigan University

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs, that we consider to be a significant deficiency in internal control over financial reporting. This is reported in the accompanying schedule of findings and questioned costs as Finding 2012-01. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Central Michigan 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*.

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

This report is intended solely for the information and use of management, the board of trustees, others within the University, 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 20, 2012

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

Independent Auditor's Report

To the Board of Trustees
Central Michigan University

Compliance

We have audited the compliance of Central Michigan University with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. The major federal programs of Central Michigan 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 Central Michigan University's management. Our responsibility is to express an opinion on Central Michigan 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 Central Michigan 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 Central Michigan University's compliance with those requirements.

In our opinion, Central Michigan University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

To the Board of Trustees
Central Michigan University

Internal Control Over Compliance

The management of Central Michigan 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 Central Michigan University's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the board of trustees, others within the University, 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 20, 2012

Central Michigan University

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

Federal Agencies / Grant Name	Direct/Pass-through	Federal Catalogue Number	Federal or Pass Through Number	Expenditures
Student Financial Assistance Cluster				
U.S. Department of Education -				
Passed through Student Financial Assistance Cluster:				
Federal Work Study 2011-2012	Direct	84.033	P033A111985	\$ 904,082
Science & Mathematics Access to Retain Talent Grant Odd Yr 10-11	Direct	84.376	P376S100222	2,000
ACG GRANT 2010-2011 ODD YEAR	Direct	84.375	P375A100222	206
Federal Perkin Loan Program- Loan & Loan Guarantees	Direct	84.038		6,878,316
William D. Ford Federal Direct Loan Sub Prog - 2011	Direct	84.268		(63,706)
William D. Ford Federal Direct Loan Unsub Prog - 2011	Direct	84.268		(308,353)
William D. Ford Federal Direct Loan Plus Prog - 2011	Direct	84.268		91,754
William D. Ford Federal Direct Loan Sub Prog - 2012	Direct	84.268		68,165,256
William D. Ford Federal Direct Loan Unsub Prog - 2012	Direct	84.268		85,849,434
William D. Ford Federal Direct Loan Plus Prog - 2012	Direct	84.268		35,199,984
SEOG 11-12	Direct	84.007	P007A111985	492,694
Pell 09-10	Direct	84.063	P063P090222	5
Pell 10-11	Direct	84.063	P063P100222	125,779
Pell 11-12	Direct	84.063	P063P110222	29,650,682
Teach Grant 11-12	Direct	84.379	P379T120222	52,000
Total Student Financial Assistance Cluster				<u>227,040,133</u>
U.S. Department of Education				
ARRA- State Fiscal Stabilization Fund 09-10 -Passed through Michigan Department of Education	Pass-through	84.394A	70003	6,540
Total ARRA-State Fiscal Stabilization Fund Cluster				<u>6,540</u>
Statewide Data Systems Cluster:				
ARRA- STARR -Passed through State of Michigan	Pass-through	84.384A		23,674
STARR -Passed through State of Michigan	Pass-through	84.372		2,326
Total Statewide Data Systems Cluster				<u>26,000</u>
TRIO Cluster				
U.S. Department of Education:				
CMU/DIA/FDA Upward Bound 2010-2011	Direct	84.047A	P047A070680-10	121,546
CMU/DIA/FDA Upward Bound 2011-2012	Direct	84.047A	PO47A070680-11	153,902
CMU's Ronald E. McNair Post-baccalaureate Ach. Prog. 10-11	Direct	84.217A	P217A070175-09	51,024
CMU's Ronald E. McNair Program 2011-12	Direct	84.217A	P217A070175-11	152,866
Total TRIO Cluster				<u>479,338</u>
Special Education Cluster (IDEA)				
U.S. Department of Education -				
Passed through Michigan Department of Education:				
Michigan Integrated Technology Supports	Pass-through	84.027A	110470-1D37	368,101
Michigan's Integrated Technology Supports (MITS) 2011-12	Pass-through	84.027A	120470-1D37	529,011
Michigan Integrated Mathematics Initiative	Pass-through	84.027A	110470-2D37	111,359
Michigan's Integrated Mathematics Initiative (MIMI) 2011-12	Pass-through	84.027A	2012-370005017-00019	240,258
Total Special Education Cluster (IDEA)				<u>1,248,729</u>
Research and Development Cluster				
U.S. Department of Commerce				
National Oceanic and Atmospheric Administration				
Conservation of Freshwater Mussell Refugees in Great Lakes Coastal Wetlands -Passed through MI Dept of Natural Resources & Environment	Pass-through	11.419	10/9D-0,02	5,478
Bird and Bat Use of Islands and Coastal Areas of Northern Lake Michigan - Passed through Mich. Dept. of Environ. Quality	Pass-through	11.419	12-309-01	23,879
Climatology and Conceptual Models of Snowfall Distribution in Cold-Season - Passed through Univ Corp for Atmospheric Research	Pass-through	11.467	Z12-91847	3,026
Total National Oceanic and Atmospheric Administration				<u>32,382</u>
Total U.S. Department of Commerce				<u>32,382</u>

Central Michigan University

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

Federal Agencies / Grant Name	Direct/Pass-through	Federal Catalogue Number	Federal or Pass Through Number	Expenditures
Research and Development Cluster (Continued)				
National Science Foundation:				
NSF IPA Assignment Year 2	Direct	47.000	DUE-0958293-001	\$ 15,906
RET Site on Multidisciplinary Engineering Research for Rural Michigan's Future	Direct	47.041	1201095	227
Problems on Sieve Methods in Number Theory	Direct	47.049	DMS-0700193	1,023
REU Site: Analysis, Geometry, Graph Theory	Direct	47.049	851321	28,075
RUI: Studying Exotic Nuclei with the Modular Neutron Array	Direct	47.049	PHY-0855456	3,184
RUI: Studying Exotic Nuclei with the Modular Neutron Array Year 3	Direct	47.049	PHY-0855456	1,971
REU Site in Algebra, Analysis, Geometry, Matrix Theory and Statistics	Direct	47.049	DMS-1156890	40,850
Long Term Undergraduate Research -Passed through University of Richmond	Pass-through	47.049	DMS-0636528	16,100
Nuclear Structure, Nuclear Astrophysics and Mesoscopic Systems - Passed through Michigan State University	Pass-through	47.049	PHY-1068217	67,956
Mixed Glass Former Cation & Anion Effects on Glass:Yr.3 -Passed through Iowa State University	Pass-through	47.049	DMR-07-010564 420-20-40	(270)
Nuclear Structure, Nuclear Astrophysics and Mesoscopic Systems Year 2	Direct	47.049	PHY-1068217	26,032
Effects of CO2-H2O Fluids on Deformation	Direct	47.050	EAR-0711299	19
MRI: Acquisition of Laser Ablation Sampling System	Direct	47.050	EAR-0923290	13,561
NSF Acid Lakes Yr. 3	Direct	47.050	719822	47,295
Crystallization of Hydrous Silicic Magma in Nature and Experiments	Direct	47.050	EAR-1119379	37,172
Collaborative Research: Records of Permian Environments and Climate	Direct	47.050	EAR-1053025	130,470
Collaborative Research: Modeling DOC Dynamics from Landscapes to Coasts	Direct	47.050	OCE-1230261	20,288
Analyzing the Euglenoid Plastid Genome	Direct	47.074	EF-0629233	15,013
Systematics and Biogeography of Mainland Anolis Lizards	Direct	47.074	DEB-0949359	28,806
TRMS: Regulation of Early Endosperm Development Year 2 - Passed through University of Arizona	Pass-through	47.074	DBI-09238880/PO Y550699	41,652
TRMS: Regulation of Early Endosperm Development in Maize Year 3 - Passed through University of Arizona	Pass-through	47.074	Y550699	95,978
Collaborative Research: The Impact of Disclosure History and Interviewing Social Capital, Organizational Content and the Job Market	Direct	47.075	SES-1121873	77,291
Enhancing Chemistry through Research-based Envir. Experiments	Direct	47.075		6,642
Biodiversity in the Global Ocean: Incorporating Molecular Biology in the Field -Passed through Sea Education Association	Direct	47.076	DUE-0942131	47,232
Genetic Connectivity & Biogeographic Patterns of Antarctic Benthic Invertebrates	Pass-through	47.076		7,413
ARRA -Magnetic Properties from First-Principles	Direct	47.078	ANT-1043670	15,860
ARRA-Precursor Design & Atomic Layer Deposition	Direct	47.082	DMR-0906617	66,108
ARRA-Collaborative Research:Impact of Cuing and Comfort	Direct	47.082	911061	110,746
ARRA-MRI-Consortium: Development of Neutron Detector	Direct	47.082	SES-0921227	21,409
ARRA-MRI-R2:Acquisition of a Thermal Manikin	Direct	47.082	PHY-0922462	21,140
	Direct	47.082	CMMI-0959020	570
Total National Science Foundation				<u>1,005,720</u>

Central Michigan University

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

Federal Agencies / Grant Name	Direct/Pass-through	Federal Catalogue Number	Federal or Pass Through Number	Expenditures
Research and Development Cluster (Continued)				
U.S. Department of Education:				
International Business and Sustainable Development Yr 2	Direct	84.153A	P153A080011-09	\$ 13,039.00
An MBA Concentration in Global Sustainable Development	Direct	84.153A	P153A100020	339
An MBA Concentration in Global Sustainable Development Year 2	Direct	84.153A	P153A100020	59,391
DeafBlind: Michigan's Training and Resource Project (DB Central) Year 3	Direct	84.326C	H326C80041-10	70,461
DeafBlind: Michigan's Training and Resource Project (DB Central) Year 4	Direct	84.326C	H326C080041-11	193,014
Passed through Michigan Department of Education - Michigan Integrated Technology Supports	Pass-through	84.027A	100470-ID37	372
Total Assistance Passed Through Michigan Department of Education				<u>372</u>
Total U.S. Department of Education				<u>336,616</u>
U.S. Department of Health and Human Services				
National Institutes of Health				
Assessing Health Information Consumers' Competencies Year 2	Direct	93.113	5R03ES017401-02	25,841
Function and Expression of Connexins	Direct	93.390	1R15HL087261-01	15,522
Metabolism and Toxicity of Nucleoside Reverse Transcriptase	Direct	93.837	7R01HL096480-03	112,878
Examining Tau Proteolysis in Neuro Disease	Direct	93.866	1R15AG032105-01	37,288
Investigating the Function of CopineA in Dictyostelium	Direct	93.859	1R15GM078089-01A1	68,791
Synthesis and Eval of Nano-antioxidants	Direct	93.859	1R15GM087697-01	38,636
Effects of Nitric Oxide on Smooth Muscle Cell Proliferations	Direct	93.837	R15HL106600-01	119,626
Physiological Disturbances Associated with Neonatal Hemorrhage Yr 4 - Passed through Univ. Arkansas Medcial School	Pass-through	93.853	5RO1NS060674-04 POG1201	60,699
First Author - A Writing Process Software Tool Phase II - Passed through Don Johnston, Inc.	Pass-through	93.865	4R42HD059238-02	129
FirstAuthor - A Writing Process Software Tool Phase II Year 2 - Passed through Don Johnston, Inc.	Pass-through	93.865	R41HD059238-01	130,998
Selective Prevention of Conduct Disorder in Historically Underserved Preschooler- Passed through National Institutes of Health	Pass-through	93.865	1R21HD074269-01	45,852
ARRA-Synthesis and Evaluation of Nano-antioxidants	Direct	93.701	3R15GM087697-01S1	8,611
ARRA-Regulation and Function of Germline RNP Granules	Direct	93.701	1R15GM093913-01	106,356
Health Resources and Services Administration				
Planning Grant for Isabella County, Michigan for Developing FQHC - Passed through Isabella Citizens for Health	Pass-through	93.527	1P04CS22777-01-00	24,669
Total passed through Health Resources and Services Administration				<u>24,669</u>
Passed Through University of Michigan				
Spectroscopy of Protein Mediation of Bone Mineralization, Year 4	Pass-through	93.847		30,101
Chemical Structure Effects on Bone Response to Mechanical Load, Year 2	Pass-through	93.846		46,091
Chemical Structure Effects on Bone Response to Mechanical Load Year 3	Pass-through	93.846		210
Total Assistance Passed Through University of Michigan				<u>76,402</u>
Total U.S. Department of Health and Human Services				<u>872,298</u>
National Aeronautics and Space Administration				
Hot Disks around Early-Type Stars	Direct	43.000	NNX08AQ24A	25,181
Microwave Plasma Source for Diagnostic Calibration -Passed through Michigan Space Grant Consortium	Pass-through	43.000		5,000
Total National Aeronautics and Space Admin				<u>30,181</u>
U.S. Department of Energy				
Building a Universal Nuclear Energy Density Functional Year 5	Direct	81.049		38,205
One-Component and Alloy Metal Based Nanocatalysis Year 2	Direct	81.049		68,085
One-Component and Alloy Metal Based Nanocatalysis Year 3	Direct	81.049	DE-SC0001330	30,606
Spin-forbidden Chemical Reactions in Catalysis	Direct	81.049		7,222
Spin-Forbidden Chemical Reactions in Catalysis Year 2	Direct	81.049	DE-SC0005027	34,148
Element Specific Structure Characterization of Binary and Ternary Alloy	Direct	81.049	DE-SC0006877	100,759
Total U.S. Department of Energy				<u>279,025</u>

Central Michigan University

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

Federal Agencies / Grant Name	Direct/Pass-through	Federal Catalogue Number	Federal or Pass Through Number	Expenditures
Research and Development Cluster (Continued)				
U.S. Department of Interior				
U.S. Bureau of Indian Affairs				
Wild Rice Requirements -Passed through Little River Band of Ottawa Indians	Direct	15.021		\$ 7,033
Total U.S. Bureau of Indian Affairs				7,033
U.S. Fish & Wildlife Services				
Waterbird Populations and Breeding Habitat Req	Direct	15.637	301819G053	11,500
Migrant Stopover Site Quality and Use on N. Greatlakes	Direct	15.637	301819G052	8,758
Dunlin (Calidris alpina hudsonia) Stopover Ecology and Shorebird Management	Direct	15.637	DCN 30181AG032	21,192
Population Trajectory Improvement for At Risk Freshwater Mussels	Direct	15.608	30181AG199	65,797
Conservation of Freshwater Mussel Refuges	Direct	15.608	F10AP00121	160,030
Prioritizing Dam Removals Within the Saginaw Bay Watershed	Direct	15.608	F11AC00870	10,277
Restoring River Connectivity: Evaluating Fish Vectors	Direct	15.608	F11AC0897	16,912
Total U.S. Fish & Wildlife Services				294,466
U.S. Geological Survey				
Fish Habitat Enhance Strategy for the Huron-Erie Corridor	Direct	15.808	G10AC00690	12,206
ARRA:Lidar Data Acquisition & Proces Covering L. Peninsula	Direct	15.817	G10AC00134	1,232
Total U.S. Geological Survey				13,438
Passed through Michigan Department of Natural Resources	Pass-through	15.662	751B2200075	7,797
Total U.S. Department of Interior				322,734
U.S. Department of Transportation				
Passed through Michigan Department of Transportation				
Improving Driver Safety with Behavioral Countermeasures	Pass-through	20.205	ORO9089 2009-0749	34,201
Stranded Mussel Survey and Mitigation: M-231 at the Grand River	Pass-through	20.205		18,361
Total Passed Through Michigan Department of Transportation				52,562
Total U.S. Department of Transportation				52,562
U.S. Environmental Protection Agency				
GLIC: Great Lakes Coastal Wetland Monitoring	Direct	66.469	GL-00E00612-0	1,979,806
Implementing Gull Exclusion at Public Beaches	Direct	66.469	GL-00E00851-0	45,626
Invasive Predator Suppression on Critical Spawning Reefs - Passed through The Nature Conservancy	Pass-through	66.469	101711-1	8,312
Effects of P-enrichment on Stream Stoichiometric Balances -Passed through the PA Dept of Environmental Protection	Pass-through	66.460	4100055830	12,055
Invasive Species Surveillance of the Bait Trade	Direct	66.469	00E00816	13,997
Ecosystem Health of Great Lakes Coastal Wetland -Passed through Department of Natural Resources and Environment & Land & Water Management Division	Pass-through	66.461	10-WL-001	107,228
Bacterial Beach Monitoring -Passed through the Health Department of Northwest Michigan	Pass-through	66.472		1,189
Total U.S. Environmental Protection Agency				2,168,213
U.S. Department of Defense				
Design of Virtual Reality-Based Therapy to Restore the Whole Body Coordination				
Passed through CMU-RC/U.S. Dept. of Army - Passed Through U.S. Army Research Laboratory - Design high energy density materials for Li-ion batteries - Passed through Battelle Columbus Operations	Direct	12.420	W81XWH-10-1-0531	154,088
Passed through CMU-RC/U.S. Dept. of Army - Passed Through U.S. Army Research Laboratory - Design high energy density materials for Li-ion batteries - Passed through Battelle Columbus Operations	Pass-through	12.CON	W911NF-07-D-001	105,621
Total U.S. Department of Defense				259,709
Total Research and Development Cluster				5,359,440

Central Michigan University

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

Federal Agencies / Grant Name	Direct/Pass-through	Federal Catalogue Number	Federal or Pass Through Number	Expenditures
Other Federal Awards:				
Corporation for National and Community Service				
Strengthening Communities -Passed through Ohio CC	Pass-through	94.005		\$ 889
Pay it Forward -Passed through Ohio CC	Pass-through	94.005		2,000
Total Corporation for National and Community Service				<u>2,889</u>
U.S. Department of Health and Human Services				
Administration for Children and Families				
Collaborative Child Care Year 5 -Passed through EightCap	Pass-through	93.600		80,159
Collaborative Child Care Year 6 -Passed through EightCap	Pass-through	93.600		58,729
Total Administration for Children and Families				<u>138,888</u>
Total U.S. Department of Health and Human Services				<u>138,888</u>
U.S. Department of Education				
GEAR UP - Passed through MI DLEG - Office of Postsecondary Services				
GEAR UP Year 5 - Passed through Michigan Campus Compact	Pass-through	84.3345		7,268
Total Other Department of Education				<u>7,268</u>
Improving Teacher Quality State Grants, ESEA Title II Part A				
Passed through Michigan Department of Education				
Wayne County Middle School Geography Project	Pass-through	84.367B	100290-9481	105,489
Wayne County Middle School Geography & History	Pass-through	84.367B	110290-6639	146,620
WRITE Now	Pass-through	84.367B	100290-9849	65,157
WRITE NOW 2	Pass-through	84.367B	1011-6619	148,735
EXCELS: Excellent Content Expectations for Learning	Pass-through	84.367B	100290-9848	58,230
EXCELS 2	Pass-through	84.367B	1011-6620	192,211
A.L.L. KIDS	Pass-through	84.367B	100290-9909	106,440
The Sun, the Moon, and the GLCEs	Pass-through	84.367B	110290-6630	89,991
Passed through Lawrence Technological University				
Super Science for Special Teachers Utilizing Unit Universal Design Through Tech. -Passed through Lawrence Tech. University	Pass-through	84.367B		1,474
Total Improving Teacher Quality State Grants, ESEA Title II PartA				<u>914,347</u>
Passed Through Michigan Department of Education -				
Passed through Flint Community Schools				
Flint Community Schools Title I Holmes Middle School	Pass-through	84.010		3,904
Flint Community Schools Title I Northern High School	Pass-through	84.010		3,904
Flint Community Schools Title I Northwestern High School	Pass-through	84.010		3,955
Flint Community Schools Title I Northwestern High School	Pass-through	84.010		27,574
Flint Community Schools Title I McKinley Middle School	Pass-through	84.010		3,955
Total Assistance Passed through Michigan Department of Education				<u>43,292</u>
Passed Through MI DLEG - MI Rehabilitation Services				
Small Business/Self Employment Consulting Services	Pass-through	84.126		27,159
Small Business/Self-Employment Consulting Services	Pass-through	84.126		79,152
Total Assistance Passed Through MI DLED - MI Rehabilitation Services				<u>106,311</u>
Passed Through National Writing Project				
Chippewa River Writing Project 2010-2011	Pass-through	84.928A		(5)
Chippewa River Writing Project 2011-2012	Pass-through	84.928A	Amendment #2 09-MI12	17,687
Total Assistance Passed Through National Writing Project				<u>17,682</u>
Passed Through Public Broadcasting Services				
PBS Teacherline 2011	Pass-through	84.286A		6,137
Total Assistance Passed Through Public Broadcasting Services				<u>6,137</u>
Social Norms at Central Michigan University -Passed through Prevention Network	Pass-through	84.184		12,530
Teachers Exploring American Culture and History	Direct	84.215X	U215X100307	33,523
American Revolution in Conflict Year 4	Direct	84.215X	0218X080145	67
Total U.S. Department of Education				<u>1,141,157</u>

Central Michigan University

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

Federal Agencies / Grant Name	Direct/Pass-through	Federal Catalogue Number	Federal or Pass Through Number	Expenditures
Other Federal Awards (Continued):				
Office of Elementary and Secondary Education				
Passed through Michigan Association for Computer Users in Learning MACUL Scholarships to Support Michigan Integrated Technology Supports	Pass-through	84.318		\$ 3,275
Total Office of Elementary and Secondary Education				<u>3,275</u>
U.S. Environmental Protection Agency				
Passed through Department of Natural Resources & Environment & Land Great Lakes Coconnection-Environmental Education	Pass-through	66.469	330003	100,059
Total U.S. Environmental Protection Agency				<u>100,059</u>
U.S. Department of Veterans Affairs				
Small Business/Self Employment Consulting Services	Direct	64.CON		108,947
Small Business Self-Employment Consulting Services	Direct	64.CON		67,986
Total U.S. Department of Veterans Affairs				<u>176,933</u>
National Science Foundation				
Connections Between Algebra and Geometry	Direct	47.049	1200313	6,945
BUMP into Research at CMU! Project Year 2010-2011	Direct	47.074	DBI-0933964	12,224
BUMP Into Research at CMU! Project Year 2011-12	Direct	47.074	DBI-0933964	100,661
An Experimental Mesocosm Facility at the CMU Biological Station	Direct	47.074	DBI-1034809	349,019
Passed through ANSLAMP All Nations Louis Stokes Alliance for Minority Participation 2010-2011	Pass-through	47.076		1,950
Passed through Salish Kootenai College ANLSAMP 2012-2016	Pass-through	47.076		1,380
Total National Science Foundation				<u>472,179</u>
Institute of Museum & Library Services				
5th Ohio Volunteer Cavalry Civil War Flag Conservation Project Passed through Sault Ste. Marie Tribe	Direct	45.303	IC-21-11-0022-11	3,000
Total Institute of Museum & Library Services				<u>3,000</u>
National Endowment for the Humanities				
Disaster Training and Emergency Preparedness Passed through Michigan Humanities Council	Direct	45.149	PG-51505-12	200
Native Americans in the Civil War: Co. K. Michigan Sharpshooters	Pass-through	45.129	2851 H11	8,100
Total National Endowment for the Humanities				<u>8,300</u>
National Endowment for the Arts				
Passed Through Michigan Council for Arts and Cultural Affairs Drawing Clay Exhibition at the University Art Gallery and Drawing Clay Conf.	Pass-through	45.025	12OP0031PS	6,000
Master Series Concert and Outreach Program	Pass-through	45.025	12OP0030OS	4,500
Total National Endowment for the Arts				<u>10,500</u>
National Aeronautics and Space Admin				
Michigan Space Grant Consortium Space Science Summer Camps for Teachers and Students	Direct	43.001		(145)
Earth and Space Science Achievement for Girl Scouts	Direct	43.000		961
Total Michigan Space Grant Consortium				<u>816</u>
Total National Aeronautics and Space Admin				<u>816</u>
National Security Agency				
Connections Between Algebra and Geometry	Direct	12.901	H98230-12-1-0273	8,954
Total National Security Agency				<u>8,954</u>

Central Michigan University

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

Federal Agencies / Grant Name	Direct/Pass- through	Federal Catalogue Number	Federal or Pass Through Number	Expenditures
Other Federal Awards (Continued):				
U.S. Department of Justice				
Enhancing the Matrix Services for Violence Agnst Women	Direct	16.525	2008-WA-AX-0015	\$ 49,048
Total U.S. Department of Justice				<u>49,048</u>
U.S. Department of Agriculture				
Digital Conversion of Broadcast Equipment	Direct	10.861		749,994
Digital Production Equipment Conversion Phase II	Direct	10.861	M11601-C33	658,390
Passed through Michigan Department of Education				
Child and Adult Food Program 2010-2012	Pass-through	10.558		24,208
Total Assistance Passed Through Michigan Department of Education				<u>24,208</u>
Total U.S. Department of Agriculture				<u>1,432,592</u>
Total Other Federal Awards				<u>3,548,590</u>
Total Federal Awards				<u>\$ 237,708,770</u>

Central Michigan University

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

Note 1 - Basis of Presentation and Significant Accounting Policies

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Central Michigan University under programs of the federal government for the year ended June 30, 2012. Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements, although the basis for determining when federal awards are expended is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. In addition, expenditures reported on the Schedule are recognized following the cost principles contained in OMB Circular A-21, *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 Central Michigan University, it is not intended to and does not present the financial position, changes in net assets, or cash flows, if applicable, of Central Michigan University. Pass-through entity identifying numbers are presented where available.

Note 2 - Loans Outstanding

The University utilizes the services of University Accounting Services, Inc. to administer the repayment of Federal Perkins loans and perform certain due diligence procedures. The University issued loans totaling \$994,414 during the year ended June 30, 2012. These loan amounts are included in the federal expenditures presented in the Schedule.

Central Michigan University

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

Note 3 - Subrecipient Awards

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

<u>Federal Program Title</u>	<u>CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Great Lakes Connections: Environmental Education	66.469	\$ 24,666
GLIC: Great Lakes Coastal Wetland Monitoring	66.469	1,429,562
Conservation of Freshwater Mussel Refuges	15.608	92,679
Element Specific Structure Characterization of Binary and Ternary Alloy	81.049	27,938
Analyzing the Euglenoid Plastid Genome	47.074	15,013
Enhancing the Matrix of Services for Violence Against Women	16.525	5,636
Wayne County Middle School Geography Project	84.367B	62,089
WRITE Now	84.367B	2,631
EXCELS: Excellent Content Expectations for Learning Science	84.367B	1,140
Michigan Integrated Mathematics Initiative	84.027A	95,862
Michigan Integrated Technology Supports	84.027A	141,906

Note 4 - Administrative Cost Allowance

The University received the following administrative cost allowances during the year ended June 30, 2012:

Federal Perkins Loan Program	\$	144,292
Federal Supplemental Educational Opportunity Grant		975

Central Michigan University

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

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
	Student Financial Assistance Cluster:
84.033	Federal Work-Study Program
84.376	National Science and Mathematics Access to Retain Talent Grants
84.375	Academic Competitiveness Grants
84.038	Federal Perkins Loan
84.268	Federal Direct Student Loans
84.007	Federal Supplemental Educational Opportunity Grants
84.063	Federal Pell Grant Program
84.379	Teacher Education Assistance for College and Higher Education Grants
47.074	Biological Sciences
10.861	Public Televisions Stations Digital Transition Grant Program

Dollar threshold used to distinguish between type A and type B programs: \$320,059

Auditee qualified as low-risk auditee? Yes No

Central Michigan University

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

Section II - Financial Statement Audit Findings

Reference Number	Finding
2012-01	<p>Finding Type - Significant Deficiency</p> <p>Criteria - Annual library subscriptions are not capitalizable assets and should be expensed in the year purchased.</p> <p>Condition - Over the years, the Library has shifted to purchasing a significant portion of its resources to electronic annual subscriptions. These subscriptions were capitalized as library holdings, annually capitalized, and depreciated over eight years instead of expensing in the year purchased.</p> <p>Context - Net book value of the subscriptions was approximately \$11,000,000 at June 30, 2012.</p> <p>Cause - The library holdings account was set up to be capitalized and depreciated over eight years and not treated separately based on the useful life.</p> <p>Effect - Expense was being recognized for over eight years versus over the period of the subscription.</p> <p>Recommendation - We recommend the University expense electronic subscriptions as incurred on an annual basis.</p> <p>Views of Responsible Officials and Planned Corrective Actions - We have expensed the accumulated net book value of the library electronic subscriptions as of June 30, 2012 and have implemented procedures to expense the electronic subscriptions on an annual basis.</p>

Central Michigan University

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

Section III - Federal Program Audit Findings

None

Central Michigan University

Summary Schedule of Prior Audit Findings Year Ended June 30, 2012

<u>Prior Year Finding Number</u>	<u>Federal Program</u>	<u>Original Finding Description</u>	<u>Status</u>
2011-1	State Fiscal Stabilization Fund	The University did not follow the allowable cost and eligibility requirements for funds disbursed during the fiscal year ended June 30, 2011. Seven students were awarded funds under this grant who were not in-state residents.	Corrected

Finding Reference No.	Corrective Action Plan
2012-01	<p>Finding Type – Significant deficiency</p> <p>Contact Person - Susan Parsons Assistant Controller – Financial Reporting Central Michigan University WA 304 Mount Pleasant, Michigan 48859 989-774-7358 parso1sm@cmich.edu</p> <p>Corrective Action Planned – Electronic library subscriptions will be recorded in a separate general ledger code in the university financial accounting records. These type of transactions will be expensed annually.</p> <p>Anticipated Date of Completion – The university reviewed the capitalization of electronic library subscriptions and retroactively adjusted capitalized assets and the associated depreciation for the subscriptions as of June 30, 2012. Beginning with fiscal year 2013, the electronic library subscriptions will be expensed annually.</p>