

Central Michigan University

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

Independent Auditor's Reports:

| | |
|---|-------|
| Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133 | I |
| Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 2-3 |
| Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance | 4-6 |
| Schedule of Expenditures of Federal Awards | 7-11 |
| Notes to Schedule of Expenditures of Federal Awards | 12-13 |
| Schedule of Findings and Questioned Costs | 14-15 |
| Corrective Action Plan | 16 |

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

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 the discretely presented component unit of Central Michigan University as of and for the year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon dated September 18, 2014, which contained unmodified opinions on the financial statements of the University and its component unit. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to September 18, 2014. We did not audit the financial statements of Central Health Advancement Solutions (CHAS) which represent all of the assets, net 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 CHAS, is based on the report of the other auditors.

The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Plante & Moran, PLLC

September 18, 2014

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

Independent Auditor's Report

To Management and the Board of Trustees
Central Michigan University

We have audited, in accordance with the 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 Michigan University (the "University") and the discretely presented component unit of Central Michigan University as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated September 18, 2014. Our report includes a reference to other auditors who 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 CHAS were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

To Management and the Board of Trustees
Central Michigan University

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

Compliance and Other Matters

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

Purpose of this Report

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

Plante & Moran, PLLC

September 18, 2014

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

Independent Auditor's Report

To the Board of Trustees
Central Michigan University

Report on Compliance for Each Major Federal Program

We have audited Central Michigan University's (the "University") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014. Central Michigan University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

To the Board of Trustees
Central Michigan University

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of Central Michigan University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Central Michigan University's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

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

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

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

To the Board of Trustees
Central Michigan University

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

Plante & Moran, PLLC

September 18, 2014

Central Michigan University

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

| Federal Agencies / Grant Name | Direct/ Pass-through | Federal Catalogue Number | Federal or Pass-through Number | Expenses |
|---|-------------------------|--------------------------------|--------------------------------------|-------------|
| Student Financial Assistance Cluster | | | | |
| U.S. Department of Education: | | | | |
| Federal Work Study 2013-2014 | Direct | 84.033 | P003A131985 | \$ 993,888 |
| Federal Perkin Loan Program - Loan and Loan Guarantees | Direct | 84.038 | N/A | 6,410,568 |
| William D. Ford Federal Direct Loan Sub Prog - 2013 | Direct | 84.268 | P268K130222 | (44,663) |
| William D. Ford Federal Direct Loan Unsub Prog - 2013 | Direct | 84.268 | P268K130222 | (182,082) |
| William D. Ford Federal Direct Loan Plus Prog - 2013 | Direct | 84.268 | P268K130222 | 83,731 |
| William D. Ford Federal Direct Loan Sub Prog - 2014 | Direct | 84.268 | P268K140222 | 43,632,377 |
| William D. Ford Federal Direct Loan Unsub Prog - 2014 | Direct | 84.268 | P268K140222 | 95,754,336 |
| William D. Ford Federal Direct Loan Plus Prog - 2014 | Direct | 84.268 | P268K140222 | 34,360,339 |
| Federal Supplemental Educational Opportunity Grant 13-14 | Direct | 84.007 | P007A131985 | 639,534 |
| Federal Pell Grant Program 11-12 | Direct | 84.063 | P063P110222 | 10 |
| Federal Pell Grant Program 12-13 | Direct | 84.063 | P063P120222 | 9,124 |
| Federal Pell Grant Program 13-14 | Direct | 84.063 | P063P130222 | 28,326,695 |
| Teacher Education Assistance for College and Higher Education Grant 13-14 | Direct | 84.379 | P379T140222 | 66,175 |
| Total Student Financial Assistance Cluster | | | | 210,050,032 |
| TRIO Cluster | | | | |
| U.S. Department of Education: | | | | |
| CMU Upward Bound/Northwestern/Detroit Collegiate Prep | Direct | 84.047A | P047A121307 | 102,302 |
| CMU Upward Bound/Northwestern/Collegiate Prep 2013-14 | Direct | 84.047A | P047A121307-13 | 128,932 |
| Preparation for Success: CMU's Ronald E. McNair Scholars Program | Direct | 84.217A | P217A120131 | 56,309 |
| Preparation for Success: CMU's Ronald E. McNair Scholars Program 2013-14 | Direct | 84.217A | P217A120131-13 | 145,389 |
| Total TRIO Cluster | | | | 432,932 |
| Special Education Cluster (IDEA) - | | | | |
| U.S. Department of Education - | | | | |
| Passed through Michigan Department of Education: | | | | |
| Michigan's Integrated Mathematics Initiative 2012-13 | Pass-through | 84.027 | 130470-2D37 | 202,054 |
| Michigan's Integrated Technology Supports 2012-13 | Pass-through | 84.027 | 130470-1D37 | 288,783 |
| Michigan's Integrated Technology Supports 2013-14 | Pass-through | 84.027 | 140470-1D37 | 420,552 |
| Michigan's Integrated Mathematics Initiative 2013-14 | Pass-through | 84.027 | 140470-2D37 | 260,863 |
| Total Special Education Cluster (IDEA) | | | | 1,172,252 |
| Research and Development Cluster | | | | |
| U.S. Department of Agriculture - | | | | |
| Passed through Pennsylvania State University - Hydrological-microbial interactions controlling landscape phosphorous mobility | | | | |
| | Pass-through | 10.310 | 2014-67019-21636 | 35,995 |
| Total U.S. Department of Agriculture | | | | 35,995 |
| U.S. Department of Commerce - | | | | |
| Passed through University of Wisconsin Green Bay - | | | | |
| Quantifying Coastal Wetland Nearshore Linkages in Lake MI | Pass-through | 11.417 | NA140ARI40ARI70092 | 17,320 |
| Total U.S. Department of Commerce | | | | 17,320 |
| U.S. Department of Defense - | | | | |
| Passed through Duke University - Spectral Sampling Algorithms for Element Substitution in Critical Technologies | | | | |
| | Pass-through | 12.300 | 14-ONR-1007 | 149,880 |
| Total U.S. Department of Defense | | | | 149,880 |
| U.S. Army Corps of Engineers - | | | | |
| Passed through University of Notre Dame | | | | |
| Development of an Environmental Metagenetics Approach | Pass-through | 12.CON | W912HQ-12-C-0073 | 39,665 |
| Total U.S. Army Corps of Engineers | | | | 39,665 |
| National Endowment for the Humanities - | | | | |
| Digitization of Michigan Newspapers | Direct | 45.149 | PJ-50100-12 | 165,975 |
| Total National Endowment for the Humanities | | | | 165,975 |

Central Michigan University

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

| Federal Agencies / Grant Name | Direct/ Pass-through | Federal Catalogue Number | Federal or Pass-through Number | Expenses |
|--|-------------------------|--------------------------------|--------------------------------------|------------|
| Research and Development Cluster (Continued) | | | | |
| National Science Foundation | | | | |
| RET Site on Multidisciplinary Engineering Research for Rural Michigan's Future | Direct | 47.041 | 1201095 | \$ 153,477 |
| Collaborative Research: Holey Reduced-Raphene-Oxide Film for Na-Ion Battery | Direct | 47.041 | CBET-1335944 | 23,365 |
| MRI: Acquisition of a Vicon system for multi-disciplinary research and education | Direct | 47.041 | CBET-1337511 | 198,517 |
| RUI: Studying Exotic Nuclei with the Modular Neutron Array Year Three | Direct | 47.049 | PHY-0855456 | 4,541 |
| REU Site in Algebra, Analysis, Geometry, Matrix Theory, and Statistics | Direct | 47.049 | DMS-1156890 | 91,622 |
| Magnetic Parameters from First-Principles | Direct | 47.049 | DMR-1206920 | 11,269 |
| Nuclear Structure Studies Using Direct Reaction with Rare Isotope Beams | Direct | 47.049 | PHY-1306297 | 72,048 |
| Double Penning Trap Mass Spectrometer for Direct Gamma-Ray Standard Calibrations | Direct | 47.049 | PHY-1307233 | 24,695 |
| CAREER: Complete Ordering in Low-Dimensional Perovskites and Its Control | Direct | 47.049 | CHE-1434457 | 53,789 |
| Studies of Exotic Nuclei with the MoNA LISA Neutron Detectors | Direct | 47.049 | PHY-1205357 | 2,769 |
| Operadic Structures in Topological Recursion | Direct | 47.049 | DMS-1308604 | 21,116 |
| Crystallization of Hydrous Silicic Magma in Nature and Experiments | Direct | 47.050 | EAR-1119379 | 32,840 |
| Collaborative Research: Modeling DOC Dynamics from Landscapes to Coasts | Direct | 47.050 | OCE-1230261 | 48,014 |
| Spatial and Temporal Growth of Upper Crustal Intrusions, Henry Mountains, Utah | Direct | 47.050 | EAR-1220340 | 41,165 |
| Elucidating the Role of Animal Heme Peroxidase and Organic Complexing Agents | Direct | 47.050 | EAR-1324060 | 31,445 |
| BUMP into Research at CMU! Project Year 2010-2011 | Direct | 47.074 | DBI-0933964 | (450) |
| BUMP Into Research at CMU! Project Year 2011-2012 | Direct | 47.074 | DBI-0933964 | 129,594 |
| MRI: Acquisition of a Fluorescence-activated Cell Sorter | Direct | 47.074 | DBI-1337647 | 404,230 |
| Collaborative Research: The Impact of Disclosure History and Interviewing | Direct | 47.075 | SES-1121873 | 2,449 |
| Next Generation Science Teacher Preparation | Direct | 47.076 | DUE-1245500 | 35,468 |
| Enhancing STEM Education with Research-based Environmental Experiments | Direct | 47.076 | DUE-1323470 | 90,682 |
| Phillip Medina NSF Graduate Research Fellowship | Direct | 47.076 | | 41,845 |
| Phillip Medina NSF Graduate Research Fellowship 2014-2015 | Direct | 47.076 | 2013157426 | 3,781 |
| Using Graphene for Fuel Cells and Lithium Ion Battery Applications | Direct | 47.076 | | 2,359 |
| Genetic Connectivity and Biogeographic Patterns of Antarctic Benthic Invertebrates | Direct | 47.078 | ANT-1043670 | 27,674 |
| U.S.-Bahrain Cooperative Research: Intelligent Video Surveillance Systems | Direct | 47.079 | 11A-1341126 | 22,797 |
| ARRA - Magnetic Properties from First-Principles | Direct | 47.082 | DMR-0906617 | 23,120 |
| ARRA - Precursor Design and Atomic Layer Depositi | Direct | 47.082 | 911061 | 472 |
| Passed through Michigan State University: | | | | |
| Nuclear Structure, Nuclear Astrophysics, and Mesoscopic Systems Year Two | Pass-through | 47.049 | PHY-1068217 | 5,650 |
| Nuclear Structure, Nuclear Astrophysics, and Mesoscopic Systems Year Three | Pass-through | 47.049 | PHY-1068217 | 61,332 |
| Nuclear Structure, Mesoscopic Physics, and Double-Beta Decay | Pass-through | 47.049 | | 14,024 |
| Total Passed through Michigan State University | | | | 81,006 |
| Passed through University of California Riverside - Critical New | | | | |
| Perspectives on Molybdenum Cycling Under Modern and Experimental | Pass-through | 47.050 | 1124327 | 70,540 |
| Passed through University of Arizona: | | | | |
| TRMS: Regulation of Early Endosperm Development in Maize Year Four | Pass-through | 47.074 | Y550699 | 19,628 |
| TRMS: Regulation of Early Endosperm Development in Maize Year Five | Pass-through | 47.074 | Y550699 | 113,314 |
| Total Passed through University of Arizona | | | | 132,942 |
| Passed through Salish Kootenai College: | | | | |
| ANLSAMP 2011-12 | Pass-through | 47.076 | 1102362 | 1,730 |
| ANLSAMP 2012-2016 | Pass-through | 47.076 | 1102362 | (1,730) |
| All Nations Louis Stokes Alliance for Minority Participation 2013-2014 | Pass-through | 47.076 | 1102362 | 4,500 |
| Total Passed through Salish Kootenai College | | | | 4,500 |
| Passed through University of Illinois - | | | | |
| Phase I Enhanced Intellectual Services - Direct PRAC Support | Pass-through | 47.080 | 2007-01077-21 | 4,833 |
| Total National Science Foundation | | | | 1,888,514 |
| U.S. Department of Education | | | | |
| An MBA Concentration in Global Sustainable Development Year Two | Direct | 84.153A | P153A100020 | 1,288 |
| DeafBlind: Michigan's Training and Resource Project (DB Central) | Direct | 84.326C | H326C080041-12 | 96,252 |
| DeafBlind Central: Michigan's Training and Resource Project | Direct | 84.326T | H326T130025 | 167,624 |
| Total | | | | 265,164 |
| Passed through Mid Michigan Community College - Great Evaluation | | | | |
| for Title II Grant at Mid Michigan Community College | Pass-through | 84.000 | | 2,500 |
| Total U.S. Department of Education | | | | 267,664 |

Central Michigan University

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

| Federal Agencies / Grant Name | Direct/ Pass-through | Federal Catalogue Number | Federal or Pass-through Number | Expenses |
|--|-------------------------|--------------------------------|--------------------------------------|----------|
| Research and Development Cluster (Continued) | | | | |
| U.S. Department of Health and Human Services | | | | |
| National Institutes of Health: | | | | |
| Synthesis and Eval of Nano-antioxidants | Direct | 93.859 | 1R15GM087697-01 | \$ 283 |
| Effects of Nitric Oxide on Smooth Muscle Cell Proliferations | Direct | 93.837 | R15HL106600-01 | 89,596 |
| CpnA's Role in cAMP Signaling and the Actin Cytoskeleton in Dictyostelium | Direct | 93.859 | 2R15GM078089-02 | 84,953 |
| ARRA-Regulation and Function of Germline RNP Granules | Direct | 93.701 | 1R15GM093913-01 | 42,585 |
| Metabolism and Toxicity of Nucleoside Reverse Transcriptase Year Four | Direct | 93.837 | 5R01HL096480-04 | 327,314 |
| Selective Prevention of Conduct Disorder Year Two | Direct | 93.865 | 5R21HD074269-02 | 73,663 |
| Passed through Baylor College of Medicine - Physiological Disturbances Associated with Neonatal Intraventricular Hemorrhage | | | | |
| | Pass-through | 93.853 | 7R01NS060674-05 | 246 |
| Passed through University of Michigan: | | | | |
| Chemical Structure Effects on Bone Response to Mechanical Load Year Four | Pass-through | 93.846 | 1R01AR0566570-4 | 40,583 |
| Chemical Structure Effects on Bone Response to Mechanical Load Year Five | Pass-through | 93.846 | 3001679198 | 8,419 |
| Total passed through University of Michigan | | | | 49,002 |
| Total National Institutes of Health | | | | 667,642 |
| Health Resources and Services Administration - | | | | |
| Passed through Saginaw County Community Mental Health - Development of HUB Implementation for Child Home Visit Services | Pass-through | 93.505 | | 48,000 |
| Total Health Resources and Services Administration | | | | 48,000 |
| Total U.S. Department of Health and Human Services | | | | 715,642 |
| U.S. Department of Energy | | | | |
| NUCLEAR Computational Low-Energy Initiative (NUCLEI) | Direct | 81.049 | DE-SC0008529 | 7,368 |
| NUCLEAR Computational Low-Energy Initiative (NUCLEI) Year Two | Direct | 81.049 | DE-SC0008529-0001 | 73,721 |
| One-Component and Alloy Metal Based Nanocatalysis Year Three | Direct | 81.049 | DE-SC0001330 | 10,120 |
| The Physics and Chemistry of Cluster-based Catalyst Systems | Direct | 81.049 | DE-SC0001330 | 5,563 |
| Spin-Forbidden Chemical Reactions Year Three | Direct | 81.049 | DE-SC0005027 | 56,574 |
| Element Specific Atomic Arrangement of Binary and Ternary Alloy Catalysts | Direct | 81.049 | DE-SC0006877-0001 | 240,504 |
| Total U.S. Department of Energy | | | | 393,850 |
| U.S. Department of Interior | | | | |
| U.S. Fish and Wildlife Services: | | | | |
| Population Trajectory Improvement for At Risk Freshwater Mussels | Direct | 15.608 | 30181AG199 | 38,112 |
| Conservation of Freshwater Mussel Refuges | Direct | 15.608 | F10AP00121 | 31,431 |
| Prioritizing Dam Removals Within the Saginaw Bay Watershed | Direct | 15.608 | F11AC00870 | 6,032 |
| Restoring River Connectivity: Evaluating Fish Vectors | Direct | 15.608 | F11AC0897 | 2,329 |
| Continued Monitoring of Rock Ramp Fish Passages in the Saginaw Bay Basin | Direct | 15.608 | F13AC00639 | 416 |
| Passed through University of Notre Dame - Environmental DNA Surveillance: Applied Early Detection | | | | |
| | Pass-through | 15.608 | UND FUND #201707 | 37,500 |
| Passed through The Ionia Conservation District - Direction and Quantification of Snuffbox (Epioblasma triquetra) Grand River | | | | |
| | Pass-through | 15.608 | | 71,121 |
| Passed through University of Minnesota - Conservation of Common Terns in the Great Lakes | | | | |
| | Pass-through | 15.647 | F11AP00081/F11AP00515 | 742 |
| Passed through Michigan Department of Natural Resources - Assessment of Nearshore Fish Communities of Lake Huron | | | | |
| | Pass-through | 15.662 | 751B2200075 | 948 |
| Total U.S. Fish and Wildlife Services | | | | 188,631 |
| Bureau of Ocean Energy Management - | | | | |
| Passed through Univ AK Fairbanks/Bureau Ocean Mgt - Biological Communities in the Chukchi Sea | Pass-through | 15.421 | FP31495 | (759) |
| Bureau of Indian Affairs - | | | | |
| Passed through Little River Band of Ottawa Indians - Effect of Population Size and Isolation on Genetic Structure Zizania Populations | Pass-through | 15.021 | | 16,323 |
| Total U.S. Department of Interior | | | | 204,195 |

Central Michigan University

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

| Federal Agencies / Grant Name | Direct/ Pass-through | Federal Catalogue Number | Federal or Pass-through Number | Expenses |
|---|-------------------------|--------------------------------|--------------------------------------|---------------------|
| Research and Development Cluster (Continued) | | | | |
| U.S. Environmental Protection Agency | | | | |
| GLIC: Great Lakes Coastal Wetland Monitoring | Direct | 66.469 | GL-00E00612-0 | \$ 1,861,725 |
| Implementing Gull Exclusion at Public Beaches | Direct | 66.469 | GL-00E00851-0 | 80,349 |
| Assessing Erie Canal Invasion Risk Using Environmental DNA | Direct | 66.469 | GL-00E01102-0 | 130,717 |
| Passed through Michigan DNRE Land and Water Management Division - Ecosystem Health of Great Lakes Coastal Wetland | Pass-through | 66.461 | 10-WL-001 | 15,759 |
| Passed through PA Dept of Environmental Protection - Benthic Biofilm Biomass and Metabolism in the Susquehanna River | Pass-through | 66.419 | PO4300345350 | 160,648 |
| A Case Study in Susquehanna River Watershed to Predict Diel Dissolved Oxygen | Pass-through | 66.419 | PO# 43004022090 | 69,045 |
| Passed through Michigan Department of Environmental Quality - Aquatic Invasive Species Monitoring and Management | Pass-through | 66.464 | C600E727-13 | 120,026 |
| Passed through University of Notre Dame - Invasive Species Surveillance of the Bait Trade | Pass-through | 66.469 | 00E00816 | 19,892 |
| Passed through Michigan Department of Natural Resources - Environmental DNA Analysis of Water Samples from Marris Lake (MI) | Pass-through | 66.469 | 751W2245634 | 259 |
| Passed through The Nature Conservancy - Invasive Predator Suppression on Critical Spawning Reefs | Pass-through | 66.469 | 101711-1 | 120,540 |
| Total U.S. Environmental Protection Agency | | | | <u>2,578,960</u> |
| Total Research and Development Cluster | | | | <u>\$ 6,457,660</u> |
| Other Federal Awards | | | | |
| U.S. Department of Health and Human Services | | | | |
| Passed through Wayne State University then passed through Mid-Central Regional: Health Education Alliance - Development of AHEC for Michigan Great Lakes Area Health Education Center | Pass-through | 93.000 | 5U76HP20206-02 | \$ 30,891 |
| AHEC Infrastructure Development Programs Year Two | Pass-through | 93.000 | 5U76HP20206-02 | <u>153,264</u> |
| Total passed through Wayne State University then passed through Mid-Central Regional Health Education Alliance | | | | 184,155 |
| Administration for Children and Families - Passed through Eightcap, Inc.: Early Childhood Collaborative with EightCap, Inc. | Pass-through | 93.600 | | 57,534 |
| Early Childhood Collaborative with Eight Cap, Inc. - Year Two | Pass-through | 93.600 | | <u>113,073</u> |
| Total Administration for Children and Families | | | | <u>170,607</u> |
| Total U.S. Department of Health and Human Services | | | | 354,762 |
| U.S. Department of Education | | | | |
| Passed through MI DLEG - MI Rehabilitation Services - Small Business/Self-employment Consulting Services | Pass-through | 84.126 | | (14,765) |
| Passed through MI DLEG - MI Commission for the Blind - Small Business/Self-employment Consulting Services | Pass-through | 84.126 | | (8,148) |
| Passed through Montcalm Area Intermediate School District - Teachers Exploring American Culture and History | Pass-through | 84.215X | U215X100307 | 19,076 |
| Passed through MI Campus Compact - MCC/MNA GEAR UP/College Positive Volunteerism YR 3 | Pass-through | 84.334S | GUI3-01 | 5,823 |
| Passed through MI DLEG - Workforce Development Agency: MI GEAR UP Yr2 | Pass-through | 84.334S | | 26,102 |
| MI GEAR UP 2013-14 | Pass-through | 84.334S | | 89,548 |
| VISTA Support | Pass-through | 84.334S | | <u>1,664</u> |
| Total Passed through MI DLEG - Workforce Development Agency | | | | 117,314 |

See Notes to Schedule of Expenditures
of Federal Awards.

Central Michigan University

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

| Federal Agencies / Grant Name | Direct/ Pass-through | Federal Catalogue Number | Federal or Pass-through Number | Expenses |
|--|-------------------------|--------------------------------|--------------------------------------|----------------|
| Other Federal Awards (Continued) | | | | |
| Improving Teacher Quality State Grants, ESEA Title II Part A - | | | | |
| Passed through Michigan Department of Education: | | | | |
| Western Michigan Middle School Geography and History Project 2012-2013 | Pass-through | 84.367B | 120290-4501 | \$ 60,693 |
| Helping Elementary Students Understand Physical Science Through Inquiry | Pass-through | 84.367B | 120290-4617 | 37,500 |
| Macomb Area Middle School Geography and History Project 2013-2014 | Pass-through | 84.367B | 130290-012 | 170,038 |
| Integrating Technology, Engineering, and Math Skills into K-8 | Pass-through | 84.367B | 130290-025 | 209,382 |
| Macomb Area Geography and History Project 2014 -2015 | Pass-through | 84.367B | 140290-015 | 5,910 |
| Total Improving Teacher Quality State Grants, ESEA Title II Part A | | | | 483,523 |
| Passed through National Writing Project - | | | | |
| CRWP 2013 SEED Grant: PD in a High-Need School Grant | Pass-through | 84.367D | 09-M112-SEED2012-1 | 17,187 |
| Total U.S. Department of Education | | | | 620,010 |
| U.S. Environmental Protection Agency | | | | |
| Passed through Michigan Department of Natural Resources and Environment - | | | | |
| Great Lakes Connection - Environmental Education | Pass-through | 66.469 | CD-00E79701-0 | 3,307 |
| Passed through Harrisburg University Science & Tech - | | | | |
| STEM Mastery Through Great Lakes Stewardship: GLISTEN | Pass-through | 66.951 | NE00E01029 | 3,763 |
| Total U.S. Environmental Protection Agency | | | | 7,070 |
| U.S. Department of Veterans Affairs | | | | |
| Small Business/Self-employment Consulting Services | | | | |
| | Direct | 64.CON | | (43,862) |
| Total U.S. Department of Veterans Affairs | | | | (43,862) |
| National Endowment for the Humanities | | | | |
| Disaster Training and Emergency Preparedness | | | | |
| | Direct | 45.149 | PG-51505-12 | 10 |
| Passed through Michigan Humanities Council: | | | | |
| America: From the Ground UP | Pass-through | 45.129 | 806H13 | 14,292 |
| Toi: The Undertaker's Daughter | Pass-through | 45.129 | 804 H13 | 8,177 |
| Race, Space, and the Agony of Detroit | Pass-through | 45.129 | Q030-13 | 500 |
| Total Passed through Michigan Humanities Council | | | | 22,969 |
| Total Other Federal Awards | | | | 22,979 |
| U.S. Department of Health and Human Services, National Institutes of Health, National Library of Medicine | | | | |
| Passed through University of Illinois - | | | | |
| Greater Midwest Region Exhibit Award | Pass-through | 93.CON | | 600 |
| Total | | | | 600 |
| U.S. Department of Defense, National Security Agency | | | | |
| International Conference on Statistical Distributions and Applications (ICOSDA) | | | | |
| | Direct | 12.901 | H98230-13-1-0292 | 19,485 |
| Total | | | | 19,485 |
| U.S. Department of Commerce | | | | |
| Passed through Warning, Alert, and Response Network (WARN) - | | | | |
| WARN Act Phase Two Sub-Grant Program | Pass-through | 11.553 | 51-51-W10606 29 | 56,764 |
| Total | | | | 56,764 |
| U.S. Department of Agriculture | | | | |
| Passed through Michigan Department of Education: | | | | |
| Child and Adult Food Program 2010-2012 | Pass-through | 10.558 | 370005017 | 5,269 |
| Child and Adult Food Program 2013-14 | Pass-through | 10.558 | 370005017 | 19,911 |
| Total U.S. Department of Agriculture | | | | 25,180 |
| Total non-Research | | | | 1,062,988 |
| Total federal awards | | | | \$ 219,175,864 |

See Notes to Schedule of Expenditures
of Federal Awards.

Central Michigan University

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

Note 1 - Basis of Presentation and Significant Accounting Policies

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Central Michigan University under programs of the federal government for the year ended June 30, 2014. Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements, although the basis for determining when federal awards are expended is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. In addition, expenditures reported on the Schedule are recognized following the cost principles contained in OMB Circular A-21, *Cost Principles for Educational Institutions*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Because the Schedule presents only a selected portion of the operations of 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 \$745,700 during the year ended June 30, 2014. 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, 2014

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> |
|--|--------------------|---|
| GLIC: Great Lakes Coastal Wetland Monitoring | 66.469 | \$ 1,424,146 |
| Conservation of Freshwater Mussel Refuges | 15.608 | 41,543 |
| Collaborative Research: Modeling DOC Dynamics from Landscapes to Coasts | 47.050 | 7,495 |
| Assessing Erie Canal Invasion Risk Using Environmental DNA | 66.469 | 28,761 |
| Element Specific Atomic Arrangement of Binary and Ternary Alloy Catalysts | 81.049 | 117,219 |
| Selective Prevention of Conduct Disorder Year Two | 93.865 | 3,325 |
| Western Michigan Middle School Geography and History Project | 84.367B | 43,661 |
| Michigan's Integrated Mathematics Initiative (MIMI) 2012-2013 | 84.027 | 36,555 |
| Michigan's Integrated Technology Supports 2012-13 | 84.027 | 54,832 |
| Macomb Area Middle School Geography and History Project 2013-14 | 84.367B | 73,684 |
| Michigan's Integrated Technology Supports 2013-14 | 84.027 | 9,829 |
| Michigan's Integrated Mathematics Initiative 2013-14 | 84.027 | 9,829 |
| | Total | <u>\$ 1,850,879</u> |

Note 4 - Administrative Cost Allowance

The University received \$144,233 in administrative cost allowances for the Federal Perkins Loan Program during the year ended June 30, 2014.

Central Michigan University

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

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

| <u>CFDA Numbers</u> | <u>Name of Federal Program or Cluster</u> |
|---|--|
| 84.033, 84.038, 84.268, 84.007, 84.063, 84.379 84.047A, 84.217A 84.027 | Student Financial Assistance Cluster TRIO Cluster Special Education Cluster (IDEA) |

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes No

Central Michigan University

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

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Audit Findings

Reference

Number

Finding

2014-001 **Program Name** - Student financial assistance cluster (84.033, 84.038, 84.268, 84.007, 84.063, 84.379)

Pass-through Entity - N/A

Finding Type - Significant deficiency

Criteria - Changes in a student's status are required to be reported to the National Student Loan Data System (NSLDS) or the guaranty agency within 30 days of the change or included in a student status confirmation report sent to NSLDS within 60 days of the status change (34 CFR Section 682.610).

Condition - Testing identified students whose status changes were reported after 60 days of the withdrawal or graduation date.

Questioned Costs - None

Context - Of the 40 students selected for status change testing, two of those students did not have a status change reported in a timely manner. The two students reported late were unofficial withdrawal students.

Cause and Effect - The University runs two unofficial withdrawal reports at the end of each semester to identify students that unofficially withdrew during the semester. The withdrawal information is sent to the registrar's office which submits the standard monthly status change reports to the National Student Clearinghouse and ultimately NSLDS. The University did not have processes and controls in place to ensure all unofficial withdrawals that occurred near the end of the semester were reported to NSLDS within the required timeframe.

Recommendation - The University should implement controls to ensure timely reporting of all student status changes.

Views of Responsible Officials and Planned Corrective Actions - The University agrees with the finding and will implement controls to ensure timely reporting of all withdrawn students. Going forward, the University will use the same reporting process for all students. This system will capture and identify official and unofficial withdrawals to allow for timely reporting of any enrollment changes in status.

| Reference Number | Findings |
|---------------------|---|
| 2014-001 | <p data-bbox="423 527 1406 852">Summary of Issue – Changes in a student’s status are required to be reported to the National Student Loan Data System (NSLDS) or the guaranty agency within 30 days of the change or included in a student status confirmation report sent to NSLDS within 60 days of the status change. Testing identified 2 out of 40 students whose status changes were reported after 60 days of the withdrawal or graduation date.</p> <p data-bbox="423 919 1382 1199">Corrective Action Planned – The University will implement controls to ensure timely reporting of all withdrawn students. Going forward, the University will use the same reporting process for all students. This system will capture and identify official and unofficial withdrawals to allow for timely reporting of any enrollment changes in status.</p> <p data-bbox="423 1262 1057 1297">Contact Person – Karen Hutslar, Registrar</p> <p data-bbox="423 1360 1357 1442">Anticipated Completion Date – The system will be in place to monitor withdrawals for the Fall 2014 semester.</p> |