

Central Michigan University

**Federal Awards
Supplemental Information
June 30, 2016**

Independent Auditor's Reports:

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Report on Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance

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, 2016 and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon dated September 22, 2016, which contained an unmodified opinion on the financial statements of the University and its component unit. Our audit was conducted for the purpose of forming opinions on the financial statement that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to September 22, 2016. We did not audit the financial statements of Central Health Advancement Solutions (CHAS), which represent all of the assets, net assets, and revenue 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 the Uniform Guidance, and 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 22, 2016

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

Independent Auditor's Report

To Management and the Board of Trustees
Central Michigan University

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Central Michigan University (the "University") and the discretely presented component unit of Central Michigan University as of and for the year ended June 30, 2016 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 22, 2016. 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 22, 2016

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 compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016. 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Those standards and the Uniform Guidance 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, 2016.

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 Uniform Guidance, 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 2016-001, that we consider to be a significant deficiency.

Central Michigan University's response to the internal control over compliance finding identified in our audit is 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 it.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Plante & Moran, PLLC

September 22, 2016

Central Michigan University

Schedule of Expenditures of Federal Awards Year Ended June 30, 2016

Federal Agencies / Grant Name	Direct/Pass-through	Federal Catalogue Number	Federal or Pass-through Number	Passed Through to Subrecipients	Expenses
Student Financial Assistance Cluster					
U.S. Department of Education					
Federal Work Study 2015-2016	Direct	84.033	P003A141985	\$	904,082
Federal Perkin Loan Program - Loan and Loan Guarantees	Direct	84.038			6,300,729
William D. Ford Federal Direct Loan Unsub Prog - 2014	Direct	84.268	P268K140222		(9,249)
William D. Ford Federal Direct Loan Sub Prog - 2015	Direct	84.268	P268K150222		16,749
William D. Ford Federal Direct Loan Unsub Prog - 2015	Direct	84.268	P268K150222		191,038
William D. Ford Federal Direct Loan Plus Prog - 2015	Direct	84.268	P268K150222		79,655
William D. Ford Federal Direct Loan Sub Prog - 2016	Direct	84.268	P268K160222		39,298,936
William D. Ford Federal Direct Loan Unsub Prog - 2016	Direct	84.268	P268K160222		94,646,594
William D. Ford Federal Direct Loan Plus Prog - 2016	Direct	84.268	P268K160222		41,820,556
Federal Supplemental Educational Opportunity Grant 15-16	Direct	84.007	P007A151985		429,923
Federal Pell Grant Program 14-15	Direct	84.063	P063P140222		61,102
Federal Pell Grant Program 15-16	Direct	84.063	P063P150222		26,805,045
Teacher Education Assistance for College and Higher Education Grant 14-15	Direct	84.379	P379T150222		6,025
Teacher Education Assistance for College and Higher Education Grant 15-16	Direct	84.379	P379T160222		60,858
Total Student Financial Assistance Cluster					210,612,043
TRIO Cluster					
U.S. Department of Education					
CMU Upward Bound/Northwestern/Collegiate Prep 2014-15	Direct	84.047A	P047A121307-14		84,270
CMU Upward Bound/Northwestern/Collegiate Prep 2015-16	Direct	84.047A	P047A121307-15		198,130
Preparation for Success: CMU's Ronald E. McNair Program Year 2014-15	Direct	84.217A	P217A120131-14		72,305
Preparation for Success: CMU's Ronald E. McNair Program Year 2015-16	Direct	84.217A	P217A120131-14A		171,734
Total TRIO Cluster					526,439
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	4977-CMU-USDA-1636		23,648
Total U.S. Department of Agriculture					23,648
U.S. Department of Commerce					
National Oceanic and Atmospheric Administration - Passed through University of Wisconsin Green Bay - Quantifying Coastal Wetland Nearshore Linkages in Lake MI	Pass-through	11.417	144PRJ79VCCMU14		16,230
Passed through University of Illinois then passed through University of Notre Dame - Quantifying Coastal Wetland Nearshore Linkages in Lake MI	Pass-through	11.417	2014-02342-02		10,875
Passed through University of Michigan: Effects of the Nearshore Shunt on Benthic Invasive Species	Pass-through	11.417	PO# 3003394670		15,196
Use of Dual-Frequency Identification Sonar (DIDSON) Cameras	Pass-through	11.417	3003956278		2,551
Total passed through University of Michigan					17,747
Passed through Michigan Department of Environmental Quality - A Decision Support System for Restoration and Protection of MI's Coastal Wetlands	Pass-through	11.419	16-CHAB-001	\$ 11,138	48,352
Passed through University of Michigan - Can the Microbial Food Web Stabilize a Changing Lake Michigan Ecosystem?	Pass-through	11.432	NA12OAR4320071		46,708
Total U.S. Department of Commerce				11,138	139,912
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		131,346
Mineralogy Genome Project Extending the AFLOW Repository to Minerals	Pass-through	12.300	16-ONR-1002		56,556
Total passed through Duke University					187,902
U.S. Army Research Laboratory - Novel Role of PrimPol in Mitochondrial Genome Maintenance	Direct	12.431	W911NF-15-1-0140		29,574
Total U.S. Department of Defense					217,476

See Notes to Schedule of Expenditures
of Federal Awards.

Central Michigan University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2016

Federal Agencies / Grant Name	Direct/Pass-through	Federal Catalogue Number	Federal or Pass-through Number	Passed Through to Subrecipients	Expenses
Research and Development Cluster (Continued)					
National Endowment for the Humanities					
Digitization of Michigan Newspapers	Direct	45.149	PJ-50100-12		\$ 178,406
Total National Endowment for the Humanities					178,406
National Science Foundation					
RET Site on Multidisciplinary Engineering Research for Rural Michigan's Future	Direct	47.041	EEC-1201095		3,928
Collaborative Research: Holey Reduced-Raphene-Oxide Film for Na-Ion Battery	Direct	47.041	CBET-1335944		58,357
MRI:Acquisition of a Vicon system for multi-disciplinary research and education	Direct	47.041	CBET-1337511		27,732
BRAIN EAGER: Genetically Encoded Light Sources for Non-Invasive Optogenetics	Direct	47.041	CBET-1464686		124,022
Collaborative Research: Enriching the Professional Dev. of School Teachers	Direct	47.041	EEC-1542368		8,103
Collab Research: Enriching the Professional Development of School Teachers	Direct	47.041	EEC-1542368		1,000
Magnetic Parameters from First-Principles	Direct	47.049	DMR-1206920		65,780
Double Penning Trap Mass Spectrometer for Direct Gamma-Ray Standard Calibrations	Direct	47.049	PHY-1307233		45,733
CAREER: Complete Ordering in Low-Dimensional Perovskites and Its Control	Direct	47.049	CHE-1434457		116,465
Studies of Exotic Nuclei with the MoNA LISA Neutron Detectors	Direct	47.049	PHY-1205357		13,109
Operadic Structures in Topological Recursion	Direct	47.049	DMS-1308604		40,052
SusCHEM: Synthesis of Degradable Sugar Poly(ortho esters) from Renewable	Direct	47.049	CHE-1413033		61,179
Crystallization of Hydrous Silicic Magna in Nature and Experiments	Direct	47.050	EAR-1119379		8,647
Collaborative Research: Modeling DOC Dynamics from Landscapes to Coasts	Direct	47.050	OCE-1230261	\$ 7,275	26,269
Spatial and Temporal Growth of Upper Crustal Intrusions, Henry Mountains, Utah	Direct	47.050	EAR-1220340		70
Elucidating the role of animal heme peroxidase and organic complexing agents	Direct	47.050	EAR-1324060		70,579
Collaborative Research: Unraveling Molybdenum and Rhenium Speciation	Direct	47.050	EAR-1503596		7,339
BUMP Into Research at CMU! Project Years 2011-2012 & 2012-2013	Direct	47.074	DBI-0933964		18,751
MRI:Acquisition of a fluorescence-activated cell sorter	Direct	47.074	DBI-1337647		10,969
MRI: Acquisition of a TEM for Multi-Disciplinary Research and Training	Direct	47.074	DBI-1531277		492,285
Next Generation Science Teacher Preparation	Direct	47.076	DUE-1245500		44,803
Enhancing STEM Education with Research-Based Environmental Experiments	Direct	47.076	DUE-1323470	46,179	118,440
Phillip Medina NSF Graduate Research Fellowship 2014-15	Direct	47.076	DGE-1441403		(3,200)
Using Graphene for Fuel Cells and Lithium Ion Battery Applications	Direct	47.076	DGE-1441403		1,500
Phillip Medina NSF Graduate Research Fellowship 2015-16	Direct	47.076	DGE-1441403		46,973
Genetic Connectivity and Biogeographic Patterns of Antarctic Benthic Invertebrates	Direct	47.078	ANT-1043670		28,195
Passed through Michigan State University - Nuclear Structure, Mesoscopic Physics, and Double-Beta Decay	Pass-through	47.049	RC103848CMU		65,066
Passed through University of California Riverside - Critical New Perspectives on Molybdenum Cycling Under Modern and Experimental	Pass-through	47.050	I124327		2,883
Passed through University of Arizona: TRMS: Regulation of Early Endosperm Development in Maize Year 5	Pass-through	47.074	Y550699		15,815
Gene Regulatory Networks in the Maize Endosperm	Pass-through	47.074	316615		22,741
Total passed through University of Arizona					38,556
Passed through University of Michigan - Documenting the Occurrence Through Space & Time of Aquatic Non-Indigenous	Pass-through	47.074	EF-1405302		518
Passed through Salish Kootenai College - All Nations Louis Stokes Alliance for Minority Participation 2015-16	Pass-through	47.076	N/A		6,291
Passed through University of Cincinnati - Beyond Accessibility: Praxis, Practice and Lived Experience in the Accommodation	Pass-through	47.050	009402-004 PNI5030277		931
Total National Science Foundation				53,454	1,551,325

See Notes to Schedule of Expenditures
of Federal Awards.

Central Michigan University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2016

Federal Agencies / Grant Name	Direct/Pass-through	Federal Catalogue Number	Federal or Pass-through Number	Passed Through to Subrecipients	Expenses
Research and Development Cluster (Continued)					
U.S. Department of Health and Human Services					
National Institutes of Health:					
Genetically Encoded Light-Production and Light-Sensing for Neuronal Manipulation	Direct	93.242	7R21MH101525-03		\$ 110,512
Effects of Nitric Oxide on Smooth Muscle Cell Proliferations	Direct	93.837	R15HL106600-01		436
Metabolism and Toxicity of Nucleoside Reverse Transcriptase Year 4	Direct	93.837	5R01HL096480-04		(2,394)
Chemoenzymatic Synthesis of Trehalose Analogs for Investigating Mycobacteria	Direct	93.855	1R15AI117670-01	\$ 24,535	94,435
Cpna's Role in cAMP Signaling and the Actin Cytoskeleton in Dictyostelium	Direct	93.859	2R15GM078089-02		73,318
Mechanisms of RNP Granule Function in the Germ Line	Direct	93.859	1R15GM109337-01A1		103,364
Stem Cell Multipotency During Quiescence	Direct	93.859	1R15GM117568-01		26,728
Employing Subcellular Calcium to Control Membrane Voltage	Direct	93.867	1R21EY026427-01	18,090	101,188
Passed through Health Foundation for South Florida then passed through Connect Familias, Inc. - Asset-based Community Diagnosis Consultation in Little Havana	Pass-through	93.CON	N/A		19,491
Passed through University of Michigan - Chemical Structure Effects on Bone Response to Mechanical Load Year 5	Pass-through	93.846	3001679198		17,256
Total U.S. Department of Health and Human Services				42,625	544,334
U.S. Department of Energy					
NUClear Computational Low-Energy Initiative (NUCLEI) Year 2	Direct	81.049	DE-SC0008529-0001		61,663
NUClear Computational Low-Energy Initiative (NUCLEI) Year 4	Direct	81.049	DE-SC0008529		22,599
The Physics and Chemistry of Cluster-Based Catalyst Systems	Direct	81.049	DE-SC0001330		107,987
Supplement to the Physics and Chemistry of Cluster-based Spin-Forbidden Chemical Reactions Year 3	Direct	81.049	DE-SC0001330		34,948
Computational Methods Based on Density	Direct	81.049	DE-SC0005027		1,562
Investigation of the Role of the VP-Process in Heavy Element Nucleosynthesis	Direct	81.049	DE-SC0014285		20,250
Element Specific Atomic Arrangement of Binary and Ternary Alloy Catalysts	Direct	81.049	DE-SC0006877-0001	88,910	40,319
Element Specific Atomic Arrangement of Nanosized Catalysts in as Prepared	Direct	81.049	DE-SC0006877/0004		171,429
Passed through Argonne National Laboratory - Microwave Synthesis of Li2MnO3 Nanocrystals-Argonne Guest Graduate Appointment	Pass-through	81.CON	5F-30461		46,490
Passed through University of North Carolina - NUClear Computational Low-Energy Initiative	Pass-through	81.049	5-35923		7,200
Total U.S. Department of Energy				88,910	9,988
U.S. Department of Interior					
U.S. Fish & Wildlife Services:					
Continued Monitoring of Rock Ramp Fish Passages in the Saginaw Bay Basin	Direct	15.608	F13AC00639		9,996
Quantification of Wetland-Of Shore Interconnectedness Using Stable Isotope	Direct	15.662	F14AP00520		34,102
Conservation Genetics of Snuffbox Mussels in the Great Lakes Watershed	Direct	15.662	F16AP00183		7,748
Developing a Decision Support System for Prioritizing Protection	Direct	15.669	F14AP00412	8,864	40,379
Passed through University of Minnesota - Conservation of Common Terns in the Great Lakes	Pass-through	15.647	F11AP00081 F11AP00515		623
Total U.S. Fish & Wildlife Services					92,848
U.S. Geological Survey -					
Assessing Nursery Habitat Quality in the St. Clair-Detroit River System	Direct	15.808	G15AC00419		23,038
Total U.S. Department of Interior				8,864	115,886
U.S. Department of Justice					
Passed through Michigan Department of Human Services then passed through County of Gratiot - Program Support Juvenile Justice In-home Care Programs for Rural Counties					
Passed through Michigan State Police - Michigan State Police Youth Academy FY 2015	Pass-through	16.CON	JJHHC14-29001		1,243
Passed through Michigan State Police - Michigan State Police Youth Academy FY 2015	Pass-through	16.738	72482-2-TEPD CMU-15		32,512
Total U.S. Department of Justice					33,755
U.S. Environmental Protection Agency					
GLIC: Great Lakes Coastal Wetland Monitoring	Direct	66.469	GL-00E00612-9	1,181,322	1,404,247
Coastal Wetland Monitoring: Continued Implementation by GLCWC	Direct	66.469	GL-00E01567-0	2,843	364,534
Assessing Erie Canal Invasion Risk Using Environmental DNA	Direct	66.469	GL-00E01102-1	6,860	86,839
Total U.S. Environmental Protection Agency				1,191,025	1,855,620
Total Research and Development Cluster				1,396,016	5,184,797

See Notes to Schedule of Expenditures of Federal Awards.

Central Michigan University

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2016

Federal Agencies / Grant Name	Direct/Pass-through	Federal Catalogue Number	Federal or Pass-through Number	Passed Through to Subrecipients	Expenses
Other Federal Awards					
U.S. Department of Health and Human Services					
Administration for Children and Families - Passed through Eightcap, Inc.:					
Early Childhood Collaborative with EightCAP, Inc. Year 3	Pass-through	93.600	N/A		\$ 96,644
Early Childhood Collaborative with EightCap 2016	Pass-through	93.600	N/A		77,229
Total U.S. Department of Health and Human Services					173,873
U.S. Department of Education					
Deaf-Blind Central: Michigan's Training and Resource Project Year 2	Direct	84.326T	H326T130025-14		80,626
Deaf-Blind Central: Michigan's Training & Resource Project Year 3	Direct	84.326T	H326T130025-15		181,476
Passed through MI Campus Compact:					
MCC/MNA GEAR UP/College Positive Volunteerism Year 4	Pass-through	84.334S	GU14-01		9,425
MCC/MNAGEAR UP/College Positive Volunteerism 2015-16	Pass-through	84.334S	N/A		12,121
Total Passed through MI Campus Compact					21,546
Passed through MI DLEG - Workforce Development Agency (Talent and Economic Development) - MI GEAR UP 2014-15	Pass-through	84.334S	14-00-01		45,542
Improving Teacher Quality State Grants, ESEA Title II Part A - Passed through Michigan Department of Education:					
Pathway to College and Career Readiness: Reading and Writing Literature	Pass-through	84.367B	140290-007		20,166
Macomb Area Geography and History Project 2014-2015	Pass-through	84.367B	140290-015	\$ 25,800	59,969
Macomb World Geography History Project	Pass-through	84.367B	160290-025		3,881
Professional Development for K-8 Teachers	Pass-through	84.367B	160290-024		33,786
Total Passed through Michigan Department of Education					117,802
Passed through Michigan Department of Education then Passed through Eastern Michigan University - Michigan Geographic Alliance Instructional Contract on the EMU American History	Pass-through	84.367B	150290-015		8,150
Passed through Michigan Department of Education then Passed through University of Michigan - MGA Instructional Contract on the Wayne Schools World History and Geo. Proposal	Pass-through	84.367B	150290-031		19,962
Total Improving Teacher Quality State Grants, ESEA Title II Part A					145,914
Passed through National Writing Project:					
NWP 2014-2016 SEED Grant Proposal: Teacher Leadership Development	Pass-through	84.367D	09-MI12-SEED2012-2B		19,550
2016 National Writing Project Advanced Institute for College-Ready Writers	Pass-through	84.367D	09-MI12-SEED2016		6,118
Total Passed through National Writing Project					25,668
Total U.S. Department of Education				25,800	500,772
National Endowment for the Humanities					
MCNH History Collections Project	Direct	45.149	PG-232674-16		3,504
National Endowment for the Arts					
Passed through MI Council for Arts & Cultural Affairs - STEAM: Creating an Environment of Accessibility and Innovation	Pass-through	45.025	160P2823PS		1,170
Total National Endowment for the Arts					1,170
Corporation for National and Community Service					
Passed through MI DLEG - Workforce Development Agency - VISTA Support Funds 2015	Pass-through	94.013	14-00-01		1,017
Total Corporation for National and Community Service					1,017
U.S. Department of Agriculture					
Educating Future Physicians for Rural Practice: Distance Learning	Direct	10.855	MI0741-A16		56,911
Passed through Michigan Department of Education:					
Child and Adult Care Food Program 2014-15	Pass-through	10.558	370005017		6,591
Child and Adult Care Food Program 2015-16	Pass-through	10.558	370005017		21,255
Total U.S. Department of Agriculture					84,757
Total other federal awards				25,800	765,093
Total federal awards				\$ 1,421,816	\$ 217,088,372

See Notes to Schedule of Expenditures
of Federal Awards.

Central Michigan University

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2016

Note 1 - Basis of Presentation

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, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). 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 of Central Michigan University.

Note 2 - Summary of Significant Accounting Policies

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

The University has not elected to use the 10 percent de minimus indirect cost rate to recover indirect costs as allowed under the Uniform Guidance.

Note 3 - Federal Perkins Loan Program Liquidation

Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The University liquidated the Federal Perkins Loan Program with the final liquidation being confirmed by the Department of Education on June 28, 2016 and there were no loan balances outstanding at June 30, 2016. The federal share of the University's final fund capital from the Perkins Loan program is \$156,146 and was refunded on July 7, 2016.

Central Michigan University

Schedule of Findings and Questioned Costs Year Ended June 30, 2016

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 2 CFR 200.516 (a)? 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 Various	Student Financial Assistance Cluster Research and Development Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

Central Michigan University

Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2016

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Audit Findings

Reference

Number

Finding

2016-001 **CFDA Number, Federal Agency, and Program Name** - Student financial assistance cluster - (84.038, 84.268)

Federal Award Identification Number and Year - Various

Pass-through Entity - N/A - Direct award

Finding Type - Significant deficiency

Repeat finding - No

Criteria - A school must update the National Student Loan Data System (NSLDS) within 30 days of a student status change, unless the school expects to submit its next enrollment report to the NSLDS within 60 days (34 eCFR 685.309).

Condition - The student status changes for students that graduated from the University were not reported within 60 days.

Questioned Costs - None

Context - Of the sample of 40 student status changes selected for enrollment reporting testing, four of those status changes were not reported within the required 60-day period.

Cause and Effect - A control was lacking to ensure all student status changes were reported in a timely fashion. As a result, status changes were reported late.

Recommendation - The University should implement controls to ensure timely student status change reporting.

Views of Responsible Officials and Planned Corrective Actions - The registrar's office agrees with finding identified in sample noted above. Misinterpretation of required reporting timeframes during implementation of the National Student Clearinghouse's Degree Verify service caused the late reporting of "graduated status" for students identified in sample.

The corrective action plan includes revision of enrollment submission dates communicated to the National Student Clearinghouse, staff training, and correcting internal communications to ensure reporting compliance effective with graduates. These actions were implemented in August 2016.

Central Michigan University

Summary Schedule of Prior Audit Findings Year Ended June 30, 2016

<u>Prior Year Finding Number</u>	<u>Fiscal Year in Which the Finding Initially Occurred</u>	<u>Federal Program, CFDA Number and Name</u>	<u>Original Finding Description</u>	<u>Status</u>
2015-001	2015	Student financial assistance cluster (84.033, 84.038, 84.268, 84.007, 84.063, 84.379)	Of the sample of 40 students selected for return to Title IV testing, three of those students did not have funds returned within the required 45-day period.	Fully corrected