
**SOUTHEAST MISSOURI
STATE UNIVERSITY**
OMB CIRCULAR A-133
SINGLE AUDIT REPORT
JUNE 30, 2014

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**Independent Auditors' 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***

Board of Regents
Southeast Missouri State University
Cape Girardeau, Missouri

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 the business-type activities and discretely presented component unit of Southeast Missouri State University, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Southeast Missouri State University's basic financial statements, and have issued our report thereon dated November 4, 2014. We did not audit the financial statements of Southeast Missouri University Foundation, a discretely presented component unit of the University. Those financial statements were audited by other auditors whose report dated September 30, 2014 thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Southeast Missouri University Foundation, is based on the report of the other auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Southeast Missouri State 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 entity'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.

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 the 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RubinBrown LLP

November 4, 2014

**Independent Auditors' Report On
Compliance For Each Major Federal
Program; Report On Internal Control Over
Compliance; And Report On The Schedule
Of Expenditures Of Federal Awards
Required By OMB Circular A-133**

Board of Regents
Southeast Missouri State University
Cape Girardeau, Missouri

Report On Compliance For Each Major Federal Program

We have audited Southeast Missouri State 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. The University's major federal programs are identified in the summary of auditors' 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 its federal programs.

Auditors' Responsibility

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

Opinion On Each Major Federal Program

In our opinion, the 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, 2014.

Report On Internal Control Over Compliance

Management of the 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 the University's internal control over compliance with the types of compliance 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 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 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 purposes.

Report On Schedule Of Expenditures Of Federal Awards Required By OMB Circular A-133

We have audited the financial statements of the business-type activities and discretely presented component unit of the 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 have issued our report thereon dated November 4, 2014, which contained an unmodified opinion on those financial statements. We did not audit the financial statements of Southeast Missouri University Foundation, a discretely presented component unit of the University. Those financial statements were audited by other auditors whose report dated September 30, 2014 thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Southeast Missouri University Foundation, is based on the report of the other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the 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 basic 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

RubinBrown LLP

November 13, 2014 (except for paragraph 10
which, is dated November 4, 2014)

SOUTHEAST MISSOURI STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor	Program Or Cluster Title	Grant Number	Federal CFDA Number	Federal Expenditures
National Science Foundation				
Direct	Research and Development Cluster:			
	MAA Conference 14	DMS-0846477	47.049	\$ 1,289
	Summer Program in Green Chemistry	OISE-966395	47.079	18,498
	Total Research and Development Cluster			<u>19,787</u>
Total National Science Foundation				<u>\$ 19,787</u>
United States Department of Agriculture				
Passed through Missouri Department of Health and Senior Services	Child and Adult Care Food Program:			
	UCEC Food Program 11 12 13	ERS4611-2646	10.558	\$ 44,069
	SAHEC Food Program 11 12 13	ERS4611-1831	10.558	17,577
	Total Child and Adult Care Food Program			<u>61,646</u>
Passed through Delta Regional Authority	USDA RBOG Red Delta Communities Phase II	RW0199	10.773	11,544
Direct	Agriculture Relevancy 13	2012-70001-20298	10.320	8,094
	Horticulture Incubator	—	10.769	10,959
Total United States Department of Agriculture				<u>\$ 92,243</u>
United States Department of Transportation				
Passed through Cape County Transit	Federal Transit Capital Investment Cluster:			
	Shuttle 2014	—	20.507	\$ 126,847
Passed through Missouri Department of Transportation	Multi Modal Transfer & Buses	MO-03-0117	20.500	233,307
	Total Federal Transit Capital Investment Cluster			<u>360,154</u>
Passed through Missouri Department of Transportation	Walking School Bus	SRTS-NI-H32H(501)	20.205	45
Total United States Department of Transportation				<u>\$ 360,199</u>
United States Department of Education				
Direct	Student Financial Aid Cluster:			
	Federal Supplemental Educational Opportunity Grant Program	P007A122382	84.007	\$ 160,632
	Federal Work Study Program	P033A122382	84.033	367,760
	Federal Pell Grant Program	P063P121752	84.063	15,116,873
	Federal Direct Loan Program	P268K121752	84.268	46,844,145
	Federal Perkins Loan Program	—	84.038	807,050
	Teacher Education Assistance for College and Higher Education Grants	P379T131752	84.379	185,213
	Total Student Financial Aid Cluster			<u>63,481,673</u>

SOUTHEAST MISSOURI STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
For The Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor	Program Or Cluster Title	Grant Number	Federal CFDA Number	Federal Expenditures
Direct	Trio Cluster:			
	Student Support Services 2013	P042A100954	84.042	\$ 49,574
	Student Support Services 2014	P042A100954	84.042	244,528
	Student Support Services Supplement 2014	P042A100954	84.042	18,175
	McNair Post-Baccalaureate Achievement 2013	P217A120283	84.217	74,233
	McNair Post-Baccalaureate Achievement 2014	P217A120283	84.217	141,318
	Total Trio Cluster			<u>527,828</u>
Passed through Missouri Department of Higher Education	College Access Challenge Grant Program:			
	Prep and PAS 2013	—	84.378	32,948
	Plan for College 13	—	84.378	60,674
	Total College Access Challenge Grant Program			<u>93,622</u>
Passed through Missouri Department of Elementary and Secondary Education	School Improvement Grants Cluster:			
	School Turnaround Cadre II Admin Monitor	—	84.377	7,030
	School Turnaround Cadre II School Services	—	84.377	20,717
	Total School Improvement Grants Cluster			<u>27,747</u>
Passed through Missouri Department of Higher Education	Improving Teacher Quality State Grants:			
	Making Mathematicians 2014			
	Total Improving Teacher Quality State Grants	—	84.367	<u>170,118</u>
Direct	Higher Education Institutional Aid - Title III Strengthening Institutions	P031A090131-12	84.031	14,558
	Higher Education Institutional Aid - Title III Strengthening Institutions	P031A090131-13	84.031	327,638
	Total Higher Education - Institutional Aid			<u>342,196</u>
Total United States Department of Education				<u>\$ 64,643,184</u>
Delta Regional Authority				
Direct	USDA Rural Business Opportunity Grants:			
	Operation JumpStart Online 2013	RW0240	10.773	<u>\$ 168,218</u>
National Endowment for the Arts				
Direct	Promotion of the Arts - The Magic Flute	13-5900-7103	45.024	<u>\$ 9,037</u>

SOUTHEAST MISSOURI STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
For The Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor	Program Or Cluster Title	Grant Number	Federal CFDA Number	Federal Expenditures
Small Business Administration				
Passed through University of Missouri - Columbia	Small Business Development Center:			
	SBDC 2013	E00035127-3	59.037	\$ 19,245
	SBDC 2014	—	59.037	51,960
	Total Small Business Development Center			<u>71,205</u>
Direct	Prime Technical Assistance Program:			
	SBA Prime Delta 2013	SBAHQ10Y0066	59.050	27,446
	SBA Growth Start 2013	SBAQ-10-Y-0065	59.050	9,314
	Total Prime Technical Assistance Program			<u>36,760</u>
Total Small Business Administration				<u>\$ 107,965</u>
United States Department of Health and Human Services				
Direct	Advanced Education Nursing Traineeships:			
	Adv Ed Nursing Traineeship Supplement	A10HP25158-02-00	93.358	\$ 73,663
	Adv Ed Nursing Traineeships 2014	A10HP25158-02-00	93.358	104,318
	Total Advanced Education Nursing Traineeships			<u>177,981</u>
Passed through Missouri Department of Mental Health	Block Grants for Prevention and Treatment of Substance Abuse:			
	Southeast Regional Support Center 2014	SDA420P1209	93.959	101,752
	Southeast Regional Support Center 2013	SDA420P1209	93.959	237
	Total Block Grants for Prevention and Treatment of Substance Abuse			<u>101,989</u>
Passed through Southeast Missouri Area Agency on Aging	Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior APPLE Paperwork Project AAA 2014			
	Total Special Programs for the Aging	—	93.044	<u>3,078</u>
Passed through Southeast Missouri Area Agency on Aging	National Family Caregiver Support, Title III, Part B - AAA SA Eldercare 2014	—	93.052	<u>12,539</u>
Passed through Missouri Department of Elementary and Secondary Education	CDA Training 2014	—	93.575	<u>13,989</u>
Passed through Missouri Department of Health and Senior Services	Addressing Asthma 2014	—	93.070	<u>1,461</u>
Total United States Department of Health and Human Services				<u>\$ 311,037</u>

SOUTHEAST MISSOURI STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS *(Continued)* For The Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor	Program Or Cluster Title	Grant Number	Federal CFDA Number	Federal Expenditures
United States Department of Justice				
Direct	Forensics Laboratory 2011	2010-DD-BX-0410	16.753	\$ 444,928
	Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking - Victory 2007	2006-WA-AX-0006	16.525	<u>15,317</u>
Total United States Department of Justice				<u><u>\$ 460,245</u></u>
Institute of Museum and Library Sciences				
Passed through Missouri State Library	Grants to States: Confluence and Crossroads 12	2011-LSD1-DIGC1CN1-6419	45.310	<u>\$ 4,769</u>
United States Department of Commerce				
Direct	EDA Technical Assist University Center 2014	05-66-05448	11.303	<u>\$ 82,404</u>
United States Department of Energy				
Passed through University of Missouri - Columbia	Energy Efficiency and Renewable Energy Information Dissemination, Outreach Training and Technical Assistance: MO Industrial Assess 12	C00035645-1	81.117	<u>\$ 50,251</u>
National Endowment for the Humanities				
Passed through the Missouri Humanities Council	Proud To Be 14	—	45.129	<u>\$ 813</u>
Total Expenditures of Federal Awards				<u><u>\$ 66,310,152</u></u>

SOUTHEAST MISSOURI STATE UNIVERSITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2014

1. Basis Of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal awards programs of Southeast Missouri State University (the University) for the year ended June 30, 2014. For the purpose of the Schedule, federal awards include grants, contracts, loans, and loan guarantee agreements entered into directly between the University and agencies and departments of the federal government or passed through other government agencies or other organizations.

2. Basis Of Accounting And Relationship To The Financial Statements

Federal financial assistance revenues from the Federal Work Study, the Federal Pell Grant Program and the Federal Supplemental Educational Opportunity Grant programs are reported in the University's financial statements as federal grant revenues. The activity of the Federal Direct Loan Program is not included in the University's financial statements, as the benefits of this program are awarded directly to students and not to the University.

Amounts reported in the accompanying Schedule are presented using the accrual basis of accounting, which is described in Note 2 to the University's financial statements. Related federal financial reports are prepared on the cash basis of accounting.

3. Loan Programs

The following schedule represents loans advanced by the University for the year ended June 30, 2014:

	<u>CFDA</u>	<u>Advances</u>
Student Financial Aid:		
Department of Education:		
Federal Direct Loans	84.268	\$ 46,844,145
Federal Perkins Loans	84.038	807,050

The above advances are included as federal expenditures in the Schedule.

SOUTHEAST MISSOURI STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2014

Section I - Summary Of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified Opinion
Internal control over financial reporting:	
• Material weakness(es) identified?	___ yes <u> X </u> no
• Significant deficiency(s) identified that are not considered to be material weakness(es)?	___ yes <u> X </u> none reported
Noncompliance material to financial statements noted?	___ yes <u> X </u> no

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	___ yes <u> X </u> no
• Significant deficiency(s) identified that are not considered to be material weakness(es)?	___ yes <u> X </u> none reported
Type of auditors' report issued on compliance for major programs:	Unmodified Opinion
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	___ yes <u> X </u> no

Identification Of Major Programs:

Student Financial Aid Cluster

- CFDA #84.007 - U.S. Department of Education - Federal Supplemental Educational Opportunity Grant Program
- CFDA #84.033 - U.S. Department of Education - Federal Work Study Program
- CFDA #84.038 - U.S. Department of Education - Federal Perkins Loan Program
- CFDA #84.063 - U.S. Department of Education - Federal Pell Grant Program
- CFDA #84.268 - U.S. Department of Education - Federal Direct Loan Program
- CFDA #84.379 - U.S. Department of Education - TEACH Grants

Federal Transit Cluster

- CFDA #20.500 - U.S. Department of Transportation - Federal Transit Capital Investment Grants - Multi Modal Transfer & Buses
- CFDA #20.507 - U.S. Department of Transportation - Federal Transit Capital Investment Grants - Shuttle 2014
- CFDA #84.031 - U.S. Department of Education - Title III Strengthening Institutions
- CFDA #16.753 - U.S. Department of Justice - Forensics Laboratory 2011

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	<u> X </u> yes ___ no

SOUTHEAST MISSOURI STATE UNIVERSITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*
For The Year Ended June 30, 2014

Section II - Financial Statement Findings

None Noted

Section III - Federal Award Findings And Questioned Costs

None Noted

SOUTHEAST MISSOURI STATE UNIVERSITY

SCHEDULE OF PRIOR AUDIT FINDINGS For The Year Ended June 30, 2014

Finding No. 2013-001

Condition: Two out of four required quarterly programmatic reports tested for the Delta Regional Authority grant programs were submitted after the required reporting timeline.

Status: There has been a change in personnel responsible for the submittal of these reports and management has implemented procedures to ensure they are submitted in a timely manner. It was noted that grant reports for the Delta Regional Authority were submitted on-time for the year-end June 30, 2014. It was noted that the change of personnel enabled the University to submit its reports adequately and in a more timely manner. At the end of fiscal year 2014, there were no grants in process with the Delta Regional Authority and all final reports had been submitted on-time for the grant for which the grant period ended in fiscal year 2014.