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**SOUTHEAST MISSOURI  
STATE UNIVERSITY**  
*OMB CIRCULAR A-133  
SINGLE AUDIT REPORT  
JUNE 30, 2009*

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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 the financial statements of Southeast Missouri State University (the University) as of and for the year ended June 30, 2009, and have issued our report thereon dated October 30, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the University's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financials statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the University's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the University's financial statements that is more than inconsequential will not be prevented or detected by the University's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the University's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

#### Compliance And Other Matters

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

This report is intended solely for the information and use of the Board of Regents, management, others within the University and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*RubinBrown LLP*

October 30, 2009

**Independent Auditors' Report On Compliance  
With Requirements Applicable To Each Major  
Program And On Internal Control Over Compliance  
In Accordance With OMB Circular A-133 And On  
The Schedule Of Expenditures Of Federal Awards**

Board of Regents  
Southeast Missouri State University  
Cape Girardeau, Missouri

Compliance

We have audited the compliance of Southeast Missouri State University (the University) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The University's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the University's management. Our responsibility is to express an opinion on the University's compliance based on our audit.

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

In our opinion, the University complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

### Internal Control Over Compliance

The management of the University is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the University's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

### Schedule of Expenditures of Federal Awards

We have audited the financial statements of the University as of and for the year ended June 30, 2009, and have issued our report thereon dated October 30, 2009. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. 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 has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Regents, management, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*RubinBrown LLP*

November 20, 2009 (except for paragraph 8, which is dated October 30, 2009)

**SOUTHEAST MISSOURI STATE UNIVERSITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For The Year Ended June 30, 2009**

Federal Grantor/Pass-Through Grantor	Program Or Cluster Title	Grant Number	Federal CFDA Number	Federal Expenditures
<b>National Science Foundation:</b>				
	Mathematical and Physical Services - Faculty Development	CHE-0822995	47.049	\$ 37,971
<b>United States Department of Agriculture:</b>				
Passed through Missouri Department of Health and Senior Services	Child and Adult Care Food Program			
	UCEC Food Program	ERS46-07 1443	10.558	21,228
	SAHEC Food Program	ERS46-081831	10.558	1,826
	SAHEC Food Program	ERS46-091831	10.558	9,233
	Total Child and Adult Care Food Program			<u>32,287</u>
Total United States Department of Agriculture				<u>32,287</u>
<b>United States Department of Transportation:</b>				
Passed through Missouri Department of Transportation	Formula Grants for Other Than Urbanized Areas - Shuttle Services	221327	20.509	130,000
Passed through Missouri Department of Transportation	Federal Transit Capital Investment Grants			
	Multi-Modal Transfer & Buses 2006	MO-03-0117	20.500	66,056
	Multi-Modal Transfer Facility FY06	MO-04-0118	20.500	289,974
	Total Federal Transit Capital Investment Grants			<u>356,030</u>
Passed through Missouri Department of Transportation	Alcohol Open Container Requirements	221120	20.607	1,705
Total Department of Transportation				<u>487,735</u>
<b>United States Department of Education:</b>				
	Student Financial Aid Cluster:			
	Federal Supplemental Educational Opportunity Grant Program	P007A082382	84.007	293,717
	Federal Work Study Program	P033A082382	84.033	294,066
	Federal Pell Grant Program	P063P081752	84.063	8,000,209
	Federal Family Education Loan Program			
	Subsidized Stafford Loan	—	84.032	14,150,261
	Unsubsidized Stafford Loan	—	84.032	17,676,489
	Stafford Plus Loan	—	84.032	4,131,769
	Academic Competitiveness Grant	P375A081752	84.375	381,959
	National Science and Mathematics Access	P376S081752	84.376	151,903
	Federal Perkins Loan Program			
	Administrative Cost Allowances	—	84.038	537,881
	Total Student Financial Aid Cluster			<u>45,618,254</u>
	Transition to Teaching	—	84.350	171,703
	Trio Cluster:			
	Student Support Services	P042A061314-07	84.042	315,798
	Student Support Services	P042A061314-08	84.042	12,213
	McNair Post-Baccalaureate Achievement	P217A030095-06	84.217	519
	McNair Post-Baccalaureate Achievement	P217A030095-07	84.217	95,984
	McNair Post-Baccalaureate Achievement	P217A080222	84.217	82,640
	Total Trio Cluster			<u>507,154</u>



**SOUTHEAST MISSOURI STATE UNIVERSITY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)  
For The Year Ended June 30, 2009**

Federal Grantor/Pass-Through Grantor	Program Or Cluster Title	Grant Number	Federal CFDA Number	Federal Expenditures
	Fund for the Improvement of Postsecondary Education - RN BSN for RN in the Bootheel	P116 Z040164	84.116	\$ 57
	Gaining Early Awareness and Readiness for Undergraduate Programs - Gear Up Programs	P334A050293-07	84.334	336,644
Passed through Missouri Department of Higher Education	Prep and PAS 2010	—	84.378	2,709
	English Language Acquisition Grants			
	TAPEMM 2009	T195N040121-08	84.365	112,524
	TAPEMM 2008	T195N040121-07	84.365	(1,989)
	Total English Language Acquisition Grants			<u>110,535</u>
Passed through Missouri Department of Higher Education	Improving Teacher Quality State Grants - Boosting Bootheel Math 09	—	84.367	17,036
Passed through Missouri Department of Elementary and Secondary Education	SBRI Pilot Project 2008/2009	—	84.357	43,041
Total Department of Education Expenditures			—	<u>46,807,133</u>
<b>U.S. Department of State</b>				
Passed through International Research and Exchanges Board	International Educators 2008	FY07-ILEP-SEMO-02		<u>1,798</u>
<b>Delta Regional Authority</b>				
Passed through Southeast Regional Planning and Economic Development Comm	Delta Regional Development			
	Entrepreneurial Train Loan 2003	MO-2050	90.200	100,067
	Innovation Center Com Kitchen 05	MO-2584	90.200	11,602
	Total Delta Regional Development			<u>111,669</u>
	Rural Business Opportunity Grants - DRA Entrepreneurial Training RCAP 2008	—	10.773	83,859
Total Delta Regional Authority				<u>195,528</u>
<b>National Aeronautical and Space Administration</b>				
	Aerospace Education Services Program			
	NASA Cont B 500K 08	NNM05AA39G	43.001	79,981
	MO NASA Education Proj C	NNM05AA39G	43.001	758,183
	Total Aerospace Education Services Program			<u>838,164</u>
Total National Aeronautical Space Administration				<u>838,164</u>
<b>National Endowment for the Arts</b>				
	Promotion of the Arts - Grants to Organizations and Individuals - Russian Ballet 09	09-7800-7090	45.024	<u>10,000</u>

**SOUTHEAST MISSOURI STATE UNIVERSITY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)  
For The Year Ended June 30, 2009**

Federal Grantor/Pass-Through Grantor	Program Or Cluster Title	Grant Number	Federal CFDA Number	Federal Expenditures
<b>National Endowment for the Humanities</b>				
Passed through Missouri Humanities Council	Promotion of the Humanities - Federal/State Partnership - Faulkner and Chopin Conference 2009	—	45.129	\$ 1,653
<b>Small Business Administration</b>				
Passed through University of Missouri - Columbia	Small Business Development Center			
	SBDC 2009	—	59.037	64,248
	SBDC 2008	8-603001-0026-2	59.037	16,255
	Total Small Business Development Center			<u>80,503</u>
Total Small Business Administration				<u>80,503</u>
<b>United States Department of Health and Human Services</b>				
	Health Care and Other Facilities - Mobile Health Unit 2006	1C76HF06179-01-00	93.887	14,723
	Rural Health Care Services and Rural Health Network Development			
	SE Health on Wheels Year 2	D04RH07919	93.912	121,502
	SE Health on Wheels Year 3	D04RH07919-03-00	93.912	21,608
	Total Rural Health Care Services and Rural Health Network Development			<u>143,110</u>
	Advanced Education Nursing Traineeships - Adv Ed Nursing Traineeships 2008	A10HP00196-09-00	93.358	26,287
Passed through Missouri Department of Mental Health	Nurse Education, Practice and Retention Grants - Southeast Regional Support Center 2008 and 2009	SDA420P0834	93.959	128,623
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 2008	—	93.044	5,557
Passed through Southeast Missouri Area Agency on Aging	National Family Caregiver Support, Title III, Part B - AAA SA Eldercare 2009	—	93.052	1,372
Passed through Missouri Department of Health and Senior Services	Center for Disease Control and Prevention, Investigation and Technical Assistance			
	Addressing Asthma	DH080017001	93.283	1,124
	Addressing Asthma 09	EH724182-04	93.283	3,980
	Mosquito Surveillance	—	93.283	20,134
	Total Cooperative Agreements for State Treatment Outcomes and Performance			<u>25,238</u>
Passed through Missouri Department of Elementary and Secondary Education	Child Care and Development Block Grant	—	93.575	38,993
Passed through Missouri Child Care Resources and Referral Network	Child Care and Development Block Grant	—	93.575	266,793
	Total Child Care and Development Block Grant			<u>305,786</u>
Total United States Department of Health and Human Services				<u>650,696</u>
<b>United States Department of Housing and Urban Development</b>				
	Rural Housing and Economic Development - HUD Construction 09	—	14.250	8,024
<b>United States Department of Justice</b>				
	Grants to Reduce+B97t Domestic Violence, Dating Violence, Sexual Assault, and Stalking - Victory 2007	2006-WA-AX-0006	16.525	73,554
<b>United States Department of Labor</b>				
	WIA Pilots, Demonstrations, and Research Projects - DOL Entrepreneurship Training Initiative	EA-18260-09-06-A-29	17.261	53,010
	H-1B Job Training Grants - MO REAL Entrepreneurship 09	H-B 1 Funding	17.268	22,930
	ARRA - Cobra Subsidy Credit	—	17.151	4,037
Total United States Department of Labor				<u>79,977</u>
<b>Total Expenditures of Federal Awards</b>				<u>\$ 49,305,023</u>

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# SOUTHEAST MISSOURI STATE UNIVERSITY

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## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS June 30, 2009

### 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, 2009 and is presented on the accrual basis of accounting. 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. Relationship To The Financial Statements

Federal financial assistance revenues from the Federal Work Study 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 Family Education Loan is not included in the University's financial statements, as the benefits of these programs are awarded directly to students and not to the University.

### 3. Loan Programs

The following schedule represents loans advanced by the University as of and for the year ended June 30, 2009:

	<u>CFDA</u>	<u>Advances</u>
Student Financial Aid:		
Department of Education:		
Federal Family Education Loans	84.032	\$35,958,519
Federal Perkins Loans	84.038	\$537,881

The above advances are included as federal expenditures in the Schedule of Expenditures of Federal Awards.

### 4. Basis Of Accounting And Relationship To Federal Financial Reports

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.

**SOUTHEAST MISSOURI STATE UNIVERSITY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For The Year Ended June 30, 2009**

**Section I - Summary Of Auditors' Results**

**Financial Statements**

Type of auditors' report issued: Unqualified Opinion

Internal control over financial reporting:

- Material weakness(es) identified?                         yes      X   no
  
- Significant deficiency(s) identified that are not considered to be material weakness(es)?                         yes      X   none reported

Noncompliance material to financial statements noted?                         yes      X   no

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?                         yes      X   no
- Significant deficiency(s) identified that are not considered to be material weakness(es)?                         yes      X   none reported

Type of auditors' report issued on compliance for major programs: Unqualified Opinion

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?                         yes      X   no

**Identification Of Major Programs:**

**Student Financial Aid Cluster**

- CFDA #84.007 - U.S. Department of Education - Federal Supplemental Educational Opportunity Grant Program
- CFDA #84.032 - U.S. Department of Education - Federal Family Education Loan 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 #84.375 - U.S. Department of Education - Academic Competiveness Grant
- CFDA #84.376 - U.S. Department of Education - National Science and Mathematics Access

**Trio Cluster**

- CFDA #84.042 - U.S. Department of Education - Student Support Services
  - CFDA #84.217 - U.S. Department of Education - McNair Post-Baccalaureate Achievement
- CFDA#43.001** - U.S. National Aeronautics and Space Administration - Aerospace Education Services Program

Dollar threshold used to distinguish between type A and type B programs: \$384,259

Auditee qualified as low-risk auditee?                      X   Yes         no

**SOUTHEAST MISSOURI STATE UNIVERSITY**

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)***  
**For The Year Ended June 30, 2009**

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**Section II – Financial Statement Findings**

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None Noted

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**Section III - Federal Award Findings And Questioned Costs**

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None Noted

**SOUTHEAST MISSOURI STATE UNIVERSITY**

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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**June 30, 2009**

**Finding No.** 2008-01

**Condition:** Out of a population of 30 students tested, four students' change of status were not submitted to the Clearinghouse and therefore to the NSLDS in a timely manner.

**Comment:** Procedures were added to the University's schedule of reporting changes in the students' enrollment status. No instances of noncompliance were noted in 2009.