
SOUTHEAST MISSOURI
STATE UNIVERSITY
SINGLE AUDIT REPORT
JUNE 30, 2021

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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 Governors
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, 2021, 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 12, 2021.

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) as a basis for designing 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 financial statements. 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 12, 2021

**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 Uniform Guidance**

Board of Governors
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 *OMB Compliance Supplement* that could have a direct and material effect on its major federal programs for the year ended June 30, 2021. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for 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 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* (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 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.

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 its major federal program for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2021-001. Our opinion on each major federal program is not modified with respect to these matters.

The University's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 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 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 have not been identified. We did identify a deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a material weakness.

The 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. The University's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 purposes.

**Report On Schedule Of Expenditures Of Federal Awards Required By
Uniform Guidance**

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, 2021, 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 12, 2021, which contained unmodified opinions on those financial statements. 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 the Uniform Guidance 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 12, 2021

SOUTHEAST MISSOURI STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor	Program Or Cluster Title	Grant Number	Federal Assistance Listing Number	Federal Expenditures	Expenditures To Sub-Recipients
United States Department of Agriculture					
Passed through Missouri Department of Agriculture	Specialty Crop Block Grant Program - Specialty Crop 18	AM17010XXXXG015	10.170	\$ 1,487	\$ —
Passed through Arkansas State University	Capacity Building for Non-Land Grant Colleges of Agriculture - Resilient Cropping year 1 FY18	2018-70001-27817	10.326	23,867	—
Passed through Missouri Department of Health and Senior Services	Child and Adult Care Food Program: USYC Food Program	ERS4611-2646		50,067	
	COVID-19 - USYC Food Program	N/A	10.558	13,696	—
Passed through Natural Resources Conservation Services	Soil Water Conservation - BMP for Water Quality 19	NR186424XXXXG012	10.902	1,986	—
Direct	Environmental Quality Incentives Program - Organic Horticulture 17	69-6424-17-010	10.912	12	—
Total United States Department of Agriculture				<u>91,115</u>	<u>—</u>
Federal Transit Administration					
Passed through Cape Girardeau County Transit Authority	Federal Transit Cluster: COVID-19 - Shuttle Service 2020	N/A	20.507	246,187	—
Department of Treasury					
Passed through Cape Girardeau County	COVID-19 - Coronavirus Relief Fund	N/A	21.019	348,606	—
National Aeronautics and Space Administration					
Direct	Office of STEM Engagement - NASA MO Space Grant Consortium	N/A	43.008	2,801	—
National Science Foundation					
Direct	Research and Development Cluster: Mathematical and Physical Sciences - Powder Xray Diffractometer	1919985	47.049	173,953	—
Small Business Administration					
Passed through University of Missouri - Columbia	Small Business Development Centers: SBDC 2020	C00063534-1	59.037	41,475	—
	SBDC 2021	C00063534-1	59.037	42,696	—
Total Small Business Administration				<u>84,171</u>	<u>—</u>

SOUTHEAST MISSOURI STATE UNIVERSITY

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
For The Year Ended June 30, 2021**

Federal Grantor/Pass-Through Grantor	Program Or Cluster Title	Grant Number	Federal Assistance Listing Number	Federal Expenditures	Expenditures To Sub-Recipients
United States Department of Education					
Direct	Student Financial Aid Cluster:				
	Federal Supplemental Educational Opportunity Grant Program FY20	P007A192382	84.007	\$ 1,500	\$ —
	Federal Supplemental Educational Opportunity Grant Program FY21	P007A192382	84.007	431,693	—
	Federal Work Study Program FY21	P033A202382	84.033	178,062	—
	Federal Perkins Loan Program	N/A	84.038	4,475,847	—
	Federal Pell Grant Program FY20	P063P181752	84.063	13,906,096	—
	Federal Direct Loan Program FY20	P268K191752	84.268	180,937	—
	Federal Direct Loan Program FY21	P268K201752	84.268	32,389,148	—
	Transition to Teaching (TEACH) FY21	P379T201752	84.379	32,937	—
	Total Student Financial Aid Cluster			<u>51,596,220</u>	<u>—</u>
Direct	Trio Cluster:				
	Student Support Services 2019	P042A151250-18	84.042	100,007	—
	Student Support Services Supplement 2019	P042A151250-18	84.042	45,900	—
	Student Support Services 2021	P042A200914	84.042	203,717	—
	Student Support Services Supplement 2021	P042A200914	84.042	9,000	—
	McNair Post-Baccalaureate Achievement 2019	P217A170269-18	84.217	230,021	—
	McNair Post-Baccalaureate Achievement 2021	P217A170269-20	84.217	14,550	—
	Total Trio Cluster			<u>603,195</u>	<u>—</u>
Direct	Child Care Access Means Parents In Schools - CCAMPIS Redhawk FLT 20	N/A	84.335A	114,002	—
Direct	Education Stabilization Fund:				
Direct	COVID-19 - Higher Education Emergency Relief Fund - Student	N/A	84.425E	1,388,805	—
Direct	COVID-19 - Higher Education Emergency Relief Fund - Student	N/A	84.425E	3,415,107	—
Direct	COVID-19 - Higher Education Emergency Relief Fund - Institution	N/A	84.425F	2,340,004	—
Direct	COVID-19 - Higher Education Emergency Relief Fund - Strengthening Institution	N/A	84.425M	339,807	—
				<u>7,483,723</u>	<u>—</u>
Total United States Department of Education				<u>59,797,140</u>	<u>—</u>

SOUTHEAST MISSOURI STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
For The Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor	Program Or Cluster Title	Grant Number	Federal Assistance Listing Number	Federal Expenditures	Expenditures To Sub-Recipients
United States Department of Health and Human Services					
Passed through Missouri Department of Health and Senior Services	Addressing Asthma 2020	AOC18380069-2	93.070	\$ 2,487	\$ —
	Addressing Asthma 2021	DH100020001	93.070	904	—
				<u>3,391</u>	<u>—</u>
Passed through Missouri Department of Health and Senior Services	Environmental Public Health and Emergency Response - Community Health Worker Year 5	AOC19380216	93.426	<u>8,396</u>	<u>—</u>
Passed through Missouri Department of Health and Senior Services	COVID-19 - Provider Relief Funds	N/A	93.498	<u>12,076</u>	<u>—</u>
Passed through Missouri Department of Mental Health	Block Grants for Prevention and Treatment of Substance Abuse:				
	Southeast Regional Support Center Tobacco 19	N/A	93.959	2,395	—
	Southeast Regional Support Center Tobacco 20	N/A	93.959	1,583	—
	Southeast Regional Support Center Tobacco 21	N/A	93.959	7,030	—
	Regional Support Center 2019	SDA420P1209	93.959	41,582	—
	Partnership for Success 2020	N/A	93.959	77,936	—
	PRC C2000 20	N/A	93.959	12,744	—
	PRC C2000 21	N/A	93.959	183,586	—
	Coalition Support FY21	N/A	93.959	4,975	—
	Coalition Mini Grants FY21	N/A	93.959	5,000	—
	MHFA Training 19	N/A	93.959	4,313	—
	MHFA Training 20	N/A	93.959	1,669	—
	MHFA Training 21	N/A	93.959	6,176	—
				<u>348,989</u>	<u>—</u>
Passed through Mississippi County Health Department	Rural Health Care Services Outreach - Resource Mapping 20	N/A	93.912	<u>7,670</u>	<u>—</u>
Total United States Department of Health and Human Services				<u>380,522</u>	<u>—</u>
Total Expenditures of Federal Awards				<u>\$61,124,495</u>	<u>\$ —</u>

SOUTHEAST MISSOURI STATE UNIVERSITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS June 30, 2021

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, 2021. The information in this Schedule is presented in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

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 Federal Direct Loans and loans advanced plus loans outstanding as of the beginning of the year for Federal Perkins Loans, for the year ended June 30, 2021:

	AL #	Amount Reported On SEFA
Student Financial Aid:		
Department of Education:		
Federal Direct Loans	84.268	\$ 32,570,085
Federal Perkins Loans	84.038	4,475,847

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

4. Indirect Costs

The Department of Health and Human Services has approved a maximum provisional indirect cost rate of 49%. The University recovers indirect costs at the maximum rate of 49% of salaries and wages including fringe benefits under federal programs that allow full indirect cost reimbursement, and recovers indirect costs at varying rates below 49% on other federal programs that do not follow full indirect cost recovery. Total indirect costs recovered under all federal programs were \$191,715 for the year ended June 30, 2021.

SOUTHEAST MISSOURI STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2021

Section I - Summary Of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were presented in accordance with generally accepted accounting principles:

Unmodified Opinion

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(s) identified? ___ yes X none reported

Noncompliance material to financial statements noted?

___ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? X yes ___ no
- Significant deficiency(s) identified? ___ yes X 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 2 CFR 200.516(a)?

X yes ___ no

Identification Of Major Programs:

Student Financial Aid Cluster:

AL #84.007 - U.S. Department of Education - Federal Supplemental Educational Opportunity Grant Program

AL #84.033 - U.S. Department of Education - Federal Work Study Program

AL #84.063 - U.S. Department of Education - Federal Pell Grant Program

AL #84.268 - U.S. Department of Education - Federal Direct Loan Program

AL #84.038 - U.S. Department of Education - Federal Perkins Loan Program

AL #84.379 - U.S. Department of Education - Teacher Assistance for College and Higher Education Grants

AL #21.019 - U.S. Department of Treasury - Coronavirus Relief Fund

AL #84.425 - U.S. Department of Education - Higher Education Emergency Relief Fund

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

X yes ___ no

SOUTHEAST MISSOURI STATE UNIVERSITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*
For The Year Ended June 30, 2021

Section II - Financial Statement Finding

None Noted

Section III - Federal Award Findings And Questioned Costs

Finding 2021-001 Material Weakness: Reporting - Control and Compliance Finding

AL 83.425F - Education Stabilization Fund – HEERF Institutional Portion and 84.425M - HEERF Strengthening Institutions Program

Federal Agency: U.S. Department of Education

Pass-Through Entity: None

Criteria Or Specific Requirement: The compliance provisions of the HEERF program under the Coronavirus Aid, Relief and Economic Security (CARES) Act 18004(e) and the Coronavirus Response and Relief Supplemental Appropriations (CRRSAA) Act 314(e) require a report to be filed quarterly and posted publicly on the University's website no later than 10 days after the end of each calendar quarter. Additionally, Uniform Guidance requires that controls over compliance be properly designed, in place and operating effectively to ensure compliance with the reporting requirements of the federal program including timely and accurate reporting.

Condition: The quarterly report for the period October 1, 2020 - December 31, 2020 was not completed and posted to the University's website. In addition, the quarterly report for the period April 1, 2021 - June 30, 2021, while completed and posted to the University's website in a timely fashion, contained inaccurate information.

Cause: Controls over compliance put in place by management were not functioning as designed.

Effect: The possibility exists that noncompliance with federal reporting requirements could go undetected without proper controls over compliance.

Questioned Costs: Not Applicable.

SOUTHEAST MISSOURI STATE UNIVERSITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)* For The Year Ended June 30, 2021

Context: Internal controls as designed by the University to ensure accurate and timely reporting were not in place during the current year. During the year, there were only 2 out of 4 quarters in which funding was spent. For the 2 quarters in which funding was spent, a quarterly report was required to be submitted to report spending under the grant contract. The quarterly report for the period October 1, 2020 - December 31, 2020 was not completed and posted to the University's website. The quarterly reported for the period April 1, 2021 - June 30, 2021, while completed and posted to the University's website in a timely fashion, contained inaccurate information.

Identification As A Repeat Finding: This is not a repeat finding.

Recommendation: We recommend that management review the internal controls over reporting to ensure the information is accurately and submitted in a timely manner and in accordance with the compliance requirements of the program

Views Of Responsible Officials: Management concurs with the finding and has established clear lines of accountability within an enhanced internal control over required reporting for HEERF Institutional and SIP funds.



CORRECTIVE ACTION PLAN

Finding 2021-001

Personnel Responsible For Corrective Action: (Interim) Controller – Angela Birk;
Assistant Vice President for Financial Services (AVP) – Sue Wilde

Anticipated Completion Date: November 15, 2021

Correction Action Plan: All required reporting for HEERF Institutional and SIP funds will be assigned to the Interim Controller until such time as a permanent Controller is named. Although the (Interim) Controller may delegate preparation of the reports, s/he will perform a detailed review of the reports and underlying data against the compliance requirements governing the reports. The completed, approved reports will be transmitted to the AVP no later than five (5) calendar days following the end of the quarterly reporting period. The AVP will perform a final review before providing the reports to University Marketing for purposes of posting them on the University's website. University Marketing will post the reports no later than ten (10) calendar days following the end of the quarterly reporting period and advise the AVP when the reports are posted and publicly available.

SOUTHEAST MISSOURI STATE UNIVERSITY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For The Year Ended June 30, 2021

Finding No. **2020-001 Significant Deficiency**

Program/Type: **Financial Statement Finding**

Condition: During the audit, we noted the University implemented a health care self-insurance plan, which became effective on January 1, 2020. At June 30, 2020, the University should record a claims liability for claims reported but not paid by the University. In addition, the University should also record a liability for the estimate of claims incurred but not reported at June 30, 2020.

Status: Corrective action was taken.