



STATE OF ILLINOIS  
**OFFICE OF THE  
AUDITOR GENERAL**

William G. Holland, Auditor General

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**SUMMARY REPORT DIGEST**

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**SOUTHERN ILLINOIS UNIVERSITY**

**FINANCIAL AUDIT AND COMPLIANCE  
EXAMINATION (In accordance with the Single Audit  
Act and OMB Circular A-133)  
For the Year Ended: June 30, 2011  
Release Date: April 17, 2012**

**Summary of Findings:**

<b>Total this audit:</b>	<b>6</b>
<b>Total last audit:</b>	<b>6</b>
<b>Repeated from last audit:</b>	<b>2</b>

**SYNOPSIS**

- The University's East St. Louis campus failed to produce evidence that an eligibility determination was performed on 3 of the 60 students of the Head Start program selected for testing.
- The University's East St. Louis campus did not perform a formalized review of budget to actual reports for their Head Start program during fiscal year 2011.
- The University's East St. Louis campus failed to meet the Head Start program's required 100% funded enrollment status.

{Expenditures and Activity Measures are summarized on the reverse page.}

**SOUTHERN ILLINOIS UNIVERSITY**  
**COMPLIANCE EXAMINATION AND SINGLE AUDIT**  
**For The Year Ended June 30, 2011**

<b>FINANCIAL OPERATIONS</b>	<b>2011</b>	<b>2010</b>
<b>Operating Revenues</b>		
Student tuition and fees, net.....	\$ 242,813,334	\$ 239,531,944
Auxiliary enterprises.....	107,373,101	106,461,946
Grants and contracts.....	109,135,111	109,919,427
Sales and services of educational activities.....	78,558,753	71,146,322
Other.....	54,886,757	41,093,270
Total Operating Revenues.....	\$ 592,767,056	\$ 568,152,909
<b>Operating Expenses</b>		
Instruction.....	\$ 317,152,057	\$ 314,929,274
Research.....	63,660,347	64,467,684
Public service.....	62,657,302	63,662,792
Academic support.....	161,909,517	149,910,775
Student services.....	69,031,681	68,648,632
Institutional support.....	70,058,717	69,255,532
Operation and maintenance of plant.....	84,188,302	78,274,816
Scholarships and fellowships.....	31,645,865	31,618,117
Auxiliary enterprises.....	98,759,484	96,071,371
Depreciation.....	44,134,264	40,542,476
Other.....	406,880	431,667
Total Operating Expenses.....	\$ 1,003,604,416	\$ 977,813,136
Operating Income (Loss).....	\$ (410,837,360)	\$ (409,660,227)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State appropriations.....	\$ 222,013,500	\$ 220,753,700
Capital appropriations, gifts and grants.....	30,267,882	5,329,861
On behalf payments of the University.....	191,169,767	178,405,918
Other, net.....	49,928,314	64,969,617
Total Nonoperating Revenues (Expenses).....	\$ 493,379,463	\$ 469,459,106
<b>INCREASE (DECREASE) IN NET ASSETS.....</b>	<b>\$ 82,542,103</b>	<b>\$ 59,798,869</b>
Net assets, beginning of year.....	\$ 545,851,322	\$ 486,052,453
Net assets, end of year.....	\$ 628,393,425	\$ 545,851,322

<b>SUMMARY - BALANCE SHEET</b>	<b>2011</b>	<b>2010</b>
Current Assets.....	\$ 289,668,133	\$ 254,145,530
Noncurrent Assets .....	838,483,043	808,020,171
Total Assets.....	\$ 1,128,151,176	\$ 1,062,165,701
Current Liabilities.....	143,773,319	143,538,405
Noncurrent Liabilities.....	355,984,432	372,775,974
Total Liabilities.....	\$ 499,757,751	\$ 516,314,379
Total Net Assets.....	\$ 628,393,425	\$ 545,851,322

<b>EMPLOYMENT STATISTICS (unaudited)</b>	<b>FALL 2010</b>	<b>FALL 2009</b>
Carbondale.....	7,215	7,304
Edwardsville.....	2,935	2,974
Total Employees.....	10,150	10,278

<b>ENROLLMENT STATISTICS (unaudited)</b>	<b>FALL 2010</b>	<b>FALL 2009</b>
Carbondale (Full-time and Part-time students).....	19,817	20,350
Edwardsville (Full-time and Part-time students).....	14,133	13,940
Total Enrollment.....	33,950	34,290

<b>UNIVERSITY PRESIDENT</b>
During Audit Period: Dr. Glenn Poshard
Currently: Dr. Glenn Poshard

## **FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS**

### **HEAD START ELIGIBILITY**

During our eligibility testing of the Head Start program the East St. Louis campus failed to produce evidence that an eligibility determination was performed on 3 of 60 students selected for testing.

**University was unable to provide student files for 3 students**

Of a sample of 60 students selected for compliance testing with eligibility requirements, the University was unable to provide student files for 3 (5.0%) students. The Head Start program student files contain the eligibility determination worksheet, the students' program application form, and documented evidence of a formalized review of these documents by a Head Start administrator at the University. The 3 student record files were unable to be located by Head Start administrators. The University stated the records were most likely shredded accidentally. (Finding 1, page 11)

We recommended the Edwardsville campus reevaluate its policies and procedures surrounding records management to ensure supporting documentation is properly maintained until electronically archived.

**University agrees with auditors**

University officials accepted the finding.

### **HEAD START CASH MANAGEMENT CONTROLS**

The East St. Louis campus did not perform a formalized review of budget to actual reports for their Head Start program during fiscal year 2011.

**Informal policies and procedures for review of monthly budget to actual reports**

The University had informal policies and procedures in place to review monthly budget to actual reports for the Head Start program. The University used the monthly budget to actual reports as a control to monitor revenues and expenditures related to the Head Start program during the grant period. The reviews were not formally documented, and as such, no audit evidence exists to prove that the reviews occurred. (Finding 2, page 12)

We recommended the Edwardsville campus create formalized policies and procedures related to internal control documentation and retention for the Head Start program.

**University agrees with auditors**

University officials accepted the finding.

### **FAILURE TO MEET HEAD START EARMARKING REQUIREMENT**

The East St. Louis campus failed to meet the Head Start program's required 100% funded enrollment status.

**Eight individuals short of meeting earmarking requirement**

The East St. Louis campus has a funded enrollment requirement of 1,569 individuals. Only 1,561 are enrolled leaving the program 8 individuals (1%) short of meeting the earmarking requirement. (Finding 4, page 14)

We recommended that a documented supervisory review of projected enrollment levels occurs before the grant agreements are signed. The University should also formally monitor the enrollment status quarterly throughout the grant period.

**University agrees with auditors**

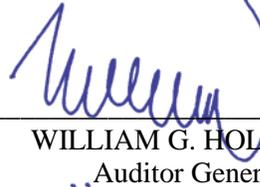
University officials accepted the finding.

**OTHER FINDINGS**

The remaining findings are reportedly being given attention by the University. We will review the University's progress towards the implementation of our recommendations in our next audit.

**AUDITORS' OPINION**

Our auditors stated the financial statements of the University as of June 30, 2011 and for the year then ended are fairly presented in all material respects.



WILLIAM G. HOLLAND  
Auditor General

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**SPECIAL ASSISTANT AUDITORS**

Crowe Horwath LLP were our special assistant auditors for this audit.