



STATE OF ILLINOIS
OFFICE OF THE
AUDITOR GENERAL

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

GOVERNORS STATE UNIVERSITY

Financial Audit
For the Year Ended June 30, 2024

Release Date: March 27, 2025

FINDINGS THIS AUDIT: 1				AGING SCHEDULE OF REPEATED FINDINGS			
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	0	0	2023		24-01	
Category 2:	0	1	1				
Category 3:	0	0	0				
TOTAL	0	1	1				
FINDINGS LAST AUDIT: 1							

INTRODUCTION

This digest covers the Governors State University's (University) Financial Audit as of and for the year ended June 30, 2024. The University's Single Audit covering the year ended June 30, 2024 was separately released. The University's State Compliance Examination covering the year ended June 30, 2024, will be separately released at a later date.

SYNOPSIS

- (24-01) The University did not have adequate controls around its change control process and had not adequately controlled developer access to its production environment.

Category 1: Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).

Category 2: Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.

Category 3: Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

GOVERNORS STATE UNIVERSITY
FINANCIAL AUDIT
For the Year Ended June 30, 2024

STATEMENT OF NET POSITION	2024	2023
Assets and Deferred Outflows of Resources		
Cash and cash equivalents.....	\$ 6,172,387	\$ 15,396,605
Accounts, grants, student loan, and other receivables and due from, net	13,541,852	10,175,735
Capital assets, net.....	116,924,019	116,871,494
Investments, Inventories, prepaid expenses, and other assets.....	40,532,880	43,233,834
Pension.....	221,050	267,959
Other postemployment benefits.....	2,825,962	3,747,546
Debt refunding.....	76,969	93,083
Total Assets and Deferred Outflows of Resources.....	<u>180,295,119</u>	<u>189,786,256</u>
Liabilities and Deferred Inflows of Resources		
Accounts payable and other accrued liabilities.....	10,478,164	9,079,447
Unearned revenues.....	5,702,585	5,280,758
Accrued compensated absences.....	4,772,187	4,634,737
Revenue bonds payable, net.....	18,970,307	20,073,200
Certificates of participation, net.....	13,269,225	15,510,412
Finance lease, Subscriptions and Intangible asset payable.....	2,012,177	2,065,010
Refundable grants.....	1,662,742	1,652,392
Other postemployment benefits, deferred.....	8,964,876	11,388,707
Debt refunding.....	2,968	3,709
Total Liabilities and Deferred Inflows of Resources.....	<u>65,835,231</u>	<u>69,688,372</u>
Net Position		
Net investment in capital assets.....	84,392,802	81,212,496
Restricted, expendable.....	2,319,444	2,277,196
Unrestricted.....	27,747,642	36,608,192
Total Net Position.....	<u>\$ 114,459,888</u>	<u>\$ 120,097,884</u>
REVENUES, EXPENSES, AND CHANGES IN NET POSITION	2024	2023
Revenues		
Tuition and fees, net.....	\$ 34,089,104	\$ 32,386,052
State appropriations.....	26,058,100	24,353,300
Federal grants and contracts	6,380,757	5,458,808
State and local grants or other grants.....	5,665,529	2,454,559
Nongovernmental grants and contracts or other grants.....	17,094,509	11,751,770
Non-operating grants or funding - Federal and State.....	17,599,641	18,148,520
Auxiliary enterprises.....	4,541,820	3,983,448
Capital appropriations and grants.....	273,174	1,421,257
Other revenues.....	5,108,312	4,132,943
Total	<u>116,810,946</u>	<u>104,090,657</u>
Expenses		
Instruction.....	43,711,398	40,907,370
Research.....	2,943,472	2,086,907
Public service.....	6,406,635	4,896,342
Academic support.....	8,813,112	7,425,636
Student services.....	11,974,741	10,798,887
Institutional support.....	20,337,875	17,497,272
Operation and maintenance of plant.....	9,321,627	8,846,485
Auxiliary enterprises.....	3,814,285	3,207,073
Student aid.....	7,670,933	6,804,995
Depreciation.....	6,392,156	5,939,996
Interest expense and Other non-operating loss.....	1,062,708	1,207,460
Total	<u>122,448,942</u>	<u>109,618,423</u>
Change in net position.....	<u>\$ (5,637,996)</u>	<u>\$ (5,527,766)</u>
PRESIDENT		
Currently: Dr. Corey S. Bradford, Interim President (Since March 1, 2025)		
During Audit Period: Dr. Cheryl F. Green, President (Up to February 28, 2025)		

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

WEAKNESSES IN CHANGE CONTROL PROCESSES

The University did not have adequate controls around its change control process and had not adequately controlled developer access to its production environment.

The University established a change management process describing the process from initiation until post-implementation review. However, during the review of the University's change control policies and procedures, we noted the following:

Change policy lacking requirements for some changes

- The change policy did not describe standard testing and documentation requirements for each type of change.

Inadequate segregation of duties noted

- Developers had access to the production environment, resulting in a segregation of duties weakness. (GAS Report, Finding 1, Pages 5-6)

We recommended the University update its policies and procedures to describe testing and documentation requirements for each type of change. Further, we recommended the University strengthen controls to ensure proper segregation of duties are established by restricting developers' access to the production environment.

University agreed with the auditors

University officials agreed with the finding and stated the University has been working to address the issues identified.

AUDITOR'S OPINION

The auditors stated the financial statements of the University as of and for the year ended June 30, 2024 are fairly stated in all material respects.

This financial audit was conducted by Adelfia, LLC.

SIGNED ORIGINAL ON FILE

COURTNEY DZIERWA
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

FJM:JGR