



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

SOUTHERN ILLINOIS UNIVERSITY

**Financial Audit
 For the Year Ended June 30, 2020**

Release Date: May 25, 2021

FINDINGS THIS AUDIT: 2	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	1	0	1	No Repeat Findings			
Category 2:	1	0	1				
Category 3:	<u>0</u>	<u>0</u>	<u>0</u>				
TOTAL	2	0	2				
FINDINGS LAST AUDIT: 0							

INTRODUCTION

This digest covers the Southern Illinois University Financial Audit as of and for the year ended June 30, 2020. Southern Illinois University's financial audit report consists of three sets of financial statements as follows - the financial statements of Southern Illinois University; the financial statements of the Housing and Auxiliary Facilities System, a segment financial report of the University issued for bondholders; and the financial statements of the Medical Facilities System, a segment financial report of the University issued for bondholders.

The University's Compliance Examination (including the Single Audit) covering the year ended June 30, 2020 will be issued in a separate report at a later date.

SYNOPSIS

- **(20-01)** The University did not have adequate internal control over reporting its census data and did not have a reconciliation process to provide assurance census submitted was complete and accurate.

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.

SOUTHERN ILLINOIS UNIVERSITY
FINANCIAL AUDIT
For the Year Ended June 30, 2020

NET POSITION	2020	2019
Assets and Deferred Outflows of Resources		
Cash and cash equivalents.....	\$ 83,543,751	\$ 66,117,698
Cash and cash equivalents, restricted.....	55,112,687	47,710,866
Investments.....	77,296,359	117,743,921
Investments, restricted.....	79,625,243	98,925,187
Receivables.....	93,097,268	60,866,048
Inventories, prepaid expenses, and other.....	32,257,159	20,294,435
Capital assets, net.....	796,384,490	804,284,375
Total Assets and Deferred Outflows of Resources.....	1,217,316,957	1,215,942,530
Liabilities and Deferred Inflows of Resources		
Accounts payable and accrued liabilities.....	83,066,816	81,903,599
Bond obligations.....	220,366,799	236,664,351
Other.....	290,932,932	300,084,017
Liabilities and Deferred Inflows of Resources.....	594,366,547	618,651,967
Net Position		
Net investment in capital assets.....	582,061,669	572,474,407
Restricted, nonexpendable.....	4,770,106	5,649,088
Restricted, expendable.....	67,631,058	56,364,690
Unrestricted (Deficit).....	(31,512,423)	(37,197,622)
Total.....	\$ 622,950,410	\$ 597,290,563
REVENUES, EXPENSES AND CHANGES IN NET POSITION	2020	2019
Revenues		
Tuition and fees, net.....	\$ 220,368,095	\$ 225,568,023
State appropriations.....	196,968,943	188,263,933
Grants and contracts.....	157,744,943	141,010,336
Auxiliary enterprises.....	79,563,104	88,411,227
Special funding situation for fringe benefits.....	151,561,419	114,719,061
Benefit payments on behalf of the University.....	60,007,865	70,964,190
Sales and services of educational departments.....	145,716,510	135,872,755
Physicians and Surgeon practice plan and other.....	78,076,924	79,414,953
Total.....	1,090,007,803	1,044,224,478
Expenses		
Instruction.....	298,586,256	286,390,991
Public service.....	52,843,522	59,826,889
Academic support.....	251,628,281	218,823,789
Student services.....	82,567,767	75,008,574
Institutional support.....	64,732,315	63,153,757
Scholarships and fellowships.....	52,470,073	50,468,249
Auxiliary enterprises.....	86,156,014	79,879,017
Other.....	175,363,728	181,960,735
Total.....	1,064,347,956	1,015,512,001
Change in net position.....	\$ 25,659,847	\$ 28,712,477
UNIVERSITY PRESIDENT		
During Audit Period: Dr. Daniel Mahony		
Currently: Dr. Daniel Mahony		

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**INADEQUATE INTERNAL CONTROLS OVER
CENSUS DATA**

The University did not have adequate internal control over reporting its census data and did not have a reconciliation process to provide assurance census submitted to its pension and other postemployment benefits plans was complete and accurate.

During testing, some of the more significant issues we noted included the following:

- The University had not performed an initial complete reconciliation of its census data recorded by the State Universities Retirement System (SURS) and the State Employees Group Insurance Program sponsored by the State of Illinois, Department of Central Management Systems (CMS) to its internal records to establish a base year of complete and accurate census data.
- We conducted data matches of (1) individuals pulled from the University's records whom the University believed should have been participating in SURS during the census data accumulation period throughout Fiscal Year 2018 and (2) the University's faculty members teaching a class during the census data accumulation period throughout Fiscal Year 2018 to SURS' records. As a result of this testing, we identified 14 individuals who had been improperly excluded from participating in SURS, which resulted in these people not having any employee contributions collected by the University and reported to SURS during the census data accumulation period throughout Fiscal Year 2018. (Finding 1, pages 7-11)

A reconciliation had not been performed to ensure complete and accurate census data

14 individuals were improperly excluded from participating in SURS

We recommended the University implement controls to ensure census data events are timely and accurately reported to SURS and CMS. Further, we recommended the University work with SURS and CMS to develop an annual reconciliation process of its active members' census data from its underlying records to a report from each plan of census data submitted to the plan's actuary.

The University agreed and stated the campuses have developed processes to address the recommendation and will work toward implementation of those processes.

OTHER FINDING

The remaining finding pertains to controls over financial reporting of capital asset additions. We will review the University's progress towards the implementation of our recommendations in our next financial audit.

AUDITOR'S OPINIONS

The auditors stated the financial statements of the University, the Housing and Auxiliary Facilities System, and the Medical Facilities System, as of and for the year ended June 30, 2020, are fairly stated in all material respects.

This financial audit was conducted by Plante & Moran, PLLC.

SIGNED ORIGINAL ON FILE

JANE CLARK
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

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