

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
STATE COMPLIANCE EXAMINATION
For the Year Ended June 30, 2021

**Performed as Special Assistant Auditors for
the Auditor General, State of Illinois**

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
STATE COMPLIANCE EXAMINATION
For the Year Ended June 30, 2021

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Other Reports Issued Under a Separate Cover

Southern Illinois University's financial statements and *Federal Single Audit* for the year ended June 30, 2021, have been issued under separate covers. Additionally, in accordance with *Government Auditing Standards*, we have issued the *Report Required Under Government Auditing Standards* for the year ended June 30, 2021, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters, under a separate cover. The purpose of this report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of the audit.

SOUTHERN ILLINOIS UNIVERSITY
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UNIVERSITY OFFICIALS

President	Dr. Daniel Mahony
Fiscal Officer	Duane Stucky
General Counsel	Lucas Crater
Executive Director, Internal Audit	Kimberly Labonte
SIUC Chancellor	Austin Lane
SIUE Chancellor	Randall Pembrook (until 2/28/22)
SIUE Chancellor	James T. Minor (eff. 3/1/22)

BOARD OFFICERS

Board Chair	J. Phil Gilbert
Board Vice Chair	Ed Hightower
Board Secretary	Roger Tedrick (until 2/10/22)
Board Secretary	Subhash Sharma (eff. 2/10/22)
Secretary to the Board	Misty Whittington

GOVERNING BOARD MEMBERS

Trustee	Edgar Curtis
Trustee (3/15/21 to 8/13/21)	Tonya Genovese
Trustee	J. Phil Gilbert
Trustee	Ed Hightower
Trustee	Subhash Sharma
Trustee (7/1/20 to 11/16/20)	Amy Sholar
Trustee	John Simmons
Trustee	Roger Tedrick
Student Trustee (7/1/21 to present)	Shaylee Clinton
Student Trustee (7/1/21 to present)	Madelyn Walters
Student Trustee (7/1/20 to 6/30/21)	Steve Gear
Student Trustee (7/1/20 to 6/30/21)	Jacob Graham

EX OFFICIO MEMBER

Superintendent of Public Instruction
(Eliminated legislatively on August 13, 2021)

State Superintendent	Dr. Carmen I. Ayala
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SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
STATE COMPLIANCE EXAMINATION
For the Year Ended June 30, 2021

BOARD OFFICES

The Agency's primary administrative offices are located at:

Southern Illinois University Carbondale
1263 Lincoln Dr.
Carbondale, Illinois 62901

Southern Illinois University Edwardsville
1 Hairpin Dr.
Edwardsville, Illinois 62025



Southern Illinois University System
ONE SYSTEM | MANY LOCATIONS | STATEWIDE IMPACT

MANAGEMENT ASSERTION LETTER

June 29, 2022

Plante & Moran, PLLC
750 Trade Centre Way, Suite 300
Portage, MI 49002

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of Southern Illinois University (the University). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the University's compliance with the following specified requirements during the one-year period ended June 30, 2021. Based on this evaluation, we assert that during the year ended June 30, 2021, the University has materially complied with the specified requirements listed below.

- A. The University has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The University has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The University has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the University are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the University on behalf of the State or held in trust by the University have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours truly,

Southern Illinois University

SIGNED ORIGINAL ON FILE

Dr. Daniel F. Mahony
University President

SIGNED ORIGINAL ON FILE

Dr. Duane Stucky
Senior VP for Financial and
Administrative Affairs

SIGNED ORIGINAL ON FILE

Mr. Lucas D. Crater
Chief Legal Counsel

SOUTHERN ILLINOIS UNIVERSITY
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STATE COMPLIANCE EXAMINATION
For the Year Ended June 30, 2021

STATE COMPLIANCE REPORT

SUMMARY

The State compliance testing performed during this examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the *Audit Guide*.

ACCOUNTANT'S REPORT

The Independent Accountant's Report on State Compliance and on Internal Control Over Compliance does not contain scope limitations or disclaimers, but does contain a modified opinion on compliance and identifies material weaknesses over internal control over compliance.

SUMMARY OF FINDINGS

Number of	<u>Current Report</u>	<u>Prior Report</u>
Findings	16	18
Repeated Findings	13	7
Prior Recommendations Implemented or Not Repeated	5	3

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings				
2021-001	13	2020/2020	Inadequate Internal Controls Over Census Data	Material Weakness and Material Noncompliance

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SCHEDULE OF FINDINGS (CONTINUED)

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings (Continued)				
2021-002	19	2020/2018	Inadequate Procedures for Ensuring Compliance with Earmarking Requirements for the Student Support Services Program	Significant Deficiency and Noncompliance
2021-003	21	2020/2017	Exit Counseling Not Completed	Significant Deficiency and Noncompliance
2021-004	23	2020/2019	Information Technology Risk Assessment Not Performed	Significant Deficiency and Noncompliance
2021- 005	25	2020/2020	Return of Title IV Aid	Significant Deficiency and Noncompliance
2021-006	27	2020/2015	Pilot Plant Not Managed by the Illinois Ethanol Research Advisory Board	Significant Deficiency and Noncompliance
2021-007	30	2020/2005	Failure to Require Faculty Timesheets	Significant Deficiency and Noncompliance
2021-008	32	2020/2012	Weakness in Computer Inventory Control	Significant Deficiency and Noncompliance

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SCHEDULE OF FINDINGS (CONTINUED)

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings (Continued)				
2021-009	34	New	Forensic Psychiatry Fellowship Training Program	Significant Deficiency and Noncompliance
2021-010	36	2020/2018	Lack of Adequate Controls Over the Review of Internal Controls for Service Providers	Significant Deficiency and Noncompliance
2021-011	40	2020/2020	Noncompliance with Illinois Articulation Initiative	Significant Deficiency and Noncompliance
2021-012	43	2020/2020	Weaknesses in Cybersecurity Programs and Practices	Significant Deficiency and Noncompliance
2021-013	47	2020/2020	Weakness with Payment Card Industry Data Security Standards	Significant Deficiency and Noncompliance
2021-014	49	2020/2020	Security Related Weaknesses	Significant Deficiency and Noncompliance
2021-015	51	New	Publications Filed with the State Library	Significant Deficiency and Noncompliance
2021-016	53	New	Missing I-9 Forms	Significant Deficiency and Noncompliance

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SCHEDULE OF FINDINGS (CONTINUED)

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>
Prior Findings Not Repeated			
A	54	2020	Insufficient Controls over Financial Reporting of Capital Asset Additions
B	54	2020	Insufficient Controls over Cash Management
C	55	2020	Student Enrollment Reporting
D	55	2020	HEERF Reporting
E	55	2020	HEERF Institutional Expenditures

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EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with University personnel at an exit conference on June 17, 2022.

Attending were:

Dr. Daniel F. Mahony, University President
Dr. Elza Ibroscheva, Associate Provost, Edwardsville
Lizette Chevalier, Associate Provost for Academic Programs, Carbondale
Kimberly Labonte, Executive Director, Internal Audit
Laura Strom, Registrar, Edwardsville
Polly Walters, Program/Student Advisor, Edwardsville

Lisa Warden, Senior Audit Manager, Office of the Auditor General

Vicki VanDenBerg, Partner, Plante & Moran, PLLC
Steven Bishop, Partner, Plante & Moran, PLLC
Samantha Norman, Senior Manager, Plante & Moran, PLLC

The responses to the recommendations were provided by Kimberly Labonte, Executive Director, Internal Audit, in a correspondence dated June 24, 2022.

INDEPENDENT ACCOUNTANT'S REPORT
ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE

Honorable Frank J. Mautino
Auditor General
State of Illinois
and
Board of Trustees
Southern Illinois University

Report on State Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by Southern Illinois University (the University) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during the year ended June 30, 2021. Management of the University is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the University's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The University has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The University has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The University has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the University are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the University on behalf of the State or held in trust by the University have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law²

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Illinois State Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the University complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the University complied with the specified requirements.

Honorable Frank J. Mautino
Auditor General
State of Illinois
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Board of Trustees
Southern Illinois University

The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our modified opinion.

We are required to be independent to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the examination engagement.

Our examination does not provide a legal determination on the University's compliance with the specified requirements.

Our examination disclosed material noncompliance with the following specified requirements applicable to University during the year ended June 30, 2021. As described in the accompanying Schedule of Findings as item 2021-001, the University had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

In our opinion, except for the material noncompliance with the specified requirements described in the preceding paragraph, the University complied with the specified requirements during the year ended June 30, 2021, in all material respects. However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as items 2021-002 through 2021-016.

The University's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The University's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Report on Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the University's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the University's compliance with the specified requirements and to test and report on the University's internal control in accordance with the *Audit Guide*, 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings, we did identify

Honorable Frank J. Mautino
Auditor General
State of Illinois
and
Board of Trustees
Southern Illinois University

certain deficiencies in internal control that we consider to be a material weakness and significant deficiencies.

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, noncompliance with the specified requirements on a timely basis. A material weakness in internal control is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings as item 2021-001 to be a material weakness.

A significant deficiency in internal control 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. We consider the deficiencies described in the accompanying Schedule of Findings as items 2021-002 through 2021-016 to be significant deficiencies.

As required by the *Audit Guide*, immaterial findings excluded from this report have been reported in a separate letter.

The University's responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings. The University's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Portage, MI
June 29, 2022

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS
For the Year Ended June 30, 2021

2021-001. FINDING: Inadequate Internal Controls over Census Data

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

Census data is demographic data (date of birth, gender, years of service, etc.) of the active, inactive, or retired members of a pension or OPEB plan. The accumulation of inactive or retired members' census data occurs before the current accumulation period of census data used in the plan's actuarial valuation (which eventually flows into each employer's financial statements), meaning the plan is solely responsible for establishing internal controls over these records and transmitting this data to the plan's actuary. In contrast, responsibility for active members' census data during the current accumulation period is split among the plan and each member's current employer(s). Initially, employers must accurately transmit census data elements of their employees to the plan. Then, the plan must record and retain these records for active employees and then transmit this census data to the plan's actuary.

We noted the University's employees are members of both the State Universities Retirement System (SURS) for their pensions and the State Employees Group Insurance Program sponsored by the State of Illinois, Department of Central Management Services (CMS) for their OPEB. In addition, we noted these plans have characteristics of different types of pension and OPEB plans, including single employer plans and cost-sharing multiple-employer plans. Finally, CMS' actuaries use census data for employees of the State's public universities provided by SURS along with census data for the other participating members which is provided by the State's four other pension plans to prepare the projection of the OPEB plan's liabilities.

During testing, we noted the following:

- The University had not performed an initial complete reconciliation of its census data recorded by SURS to its internal records to establish a base year of complete and accurate census data.
- After establishing a base year, the University had not developed a process to annually obtain from SURS the incremental changes recorded by SURS in their census data records and reconcile these changes back to the University's internal supporting records.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

**2021-001. FINDING: Inadequate Internal Controls over Census Data
(Continued)**

Based on information we obtained while performing our audit, we learned these deficiencies are pervasive across the public universities participating in SURS and across the State's agencies participating in one of the other four State pension plans, the State Employees' Retirement System of Illinois. These conditions significantly increase the risk there could be errors at one or more employers within the plans, and these errors could have a significant impact on SURS' and CMS' measurement of pension and OPEB liabilities, respectively.

In addition, we noted errors within CMS' allocation of OPEB-related balances across the State's funds, public universities, and the Illinois State Toll Highway Authority related to a failure by CMS to account for a separately financed specific OPEB liability for certain groups of employees at one component unit of the State. The impact of these errors resulted in the University restating its beginning net position by \$43,878,331 as of July 1, 2020.

Based upon the significance of these issues alone, we concluded a material weakness exists within the University's internal controls related to ensuring both SURS and CMS can provide their respective actuaries with complete and accurate census data related to the University's active employees. Even given these exceptions, we performed detail testing of a sample of employees and certain data analysis tests of the total population of the University's census data transactions reported to SURS and noted the following:

- 1) Based on our analysis of transactions reported by the University to SURS during the census data accumulation period throughout Fiscal Year 2019, we noted 1 of 106 (1%) employees with a termination had the date of the termination untimely reported to SURS by the University.
- 2) We identified thirteen employees 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 through Fiscal Year 2019. SURS determined the total potential impact to each employee's total service credit was it could be off between 0.0 and 21.75 years.

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SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

**2021-001. FINDING: Inadequate Internal Controls over Census Data
(Continued)**

For employers where their employees participate in plans with multiple-employer and cost-sharing features, the American Institute of Certified Public Accountants' *Audit and Accounting Guide: State and Local Governments* (AAG-SLG) (§ 13.177 for pensions and § 14.184 for OPEB) notes the determination of net pension/OPEB liability, pension/OPEB expense, and the associated deferred inflows and deferred outflows of resources depends on employer-provided census data reported to the plan being complete and accurate along with the accumulation and maintenance of this data by the plan being complete and accurate. To help mitigate against the risk of a plan's actuary using incomplete or inaccurate census data within similar agent multiple-employer plans, the AAG-SLG (§ 13.181 (A-27) for pensions and § 14.141 for OPEB) recommends an employer annually reconcile its active members' census data to a report from the plan of census data submitted to the plan's actuary, by comparing the current year's census data file to both the prior year's census data file and its underlying records for changes occurring during the current year.

Additionally, eligibility criteria for participation in SURS under the Illinois Pension Code (Code) (40 ILCS 5/15-134(a)) states any person who is an employee of the University becomes a participant in SURS. Under the Code (40 ILCS 5/15-107), an employee is a person who works for the University in a secretarial, mechanical, labor, clerical, educational, administrative, or other staff position which is either (a) permanent and continuous or (b) for a period of four months or an academic term, whichever is less, who is:

- 1) not a student employed on a less than full-time temporary basis;
- 2) not receiving a retirement or disability annuity from SURS;
- 3) not on military leave;
- 4) not eligible to participate in the Federal Civil Service Retirement System,
- 5) not currently on a leave of absence without pay more than 60 days after the termination of SURS' disability benefits;

- 6) not paid from funds received under the Federal Comprehensive Employment and Training Act as a public service employment program participant hired on or after July 1, 1979;
- 7) not a patient in a hospital or home;
- 8) not an employee compensated solely on a fee basis where such income would net earnings from self-employment;
- 9) not providing military courses pursuant to a federally-funded contract where the University has filed a written notice with SURS electing to exclude these persons from the definition of an employee;
- 10) currently on lay-off status of not more than 120 days after the lay-off date;
- 11) not on an absence without pay of more than 30 days; and,

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SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

**2021-001. FINDING: Inadequate Internal Controls over Census Data
(Continued)**

- 12) a nonresident alien on a visa defined under subparagraphs (F), (J), (M), or (Q) of Section 1101(a)(15) of Title 8 of the United States Code who (1) has met the Internal Revenue Service's substantial presence test and (2) became an employee on and after July 1, 1991.

Further, for CMS' OPEB plan, we noted participation in OPEB is derivative of an employee's eligibility to participate in SURS, as members of SURS participate in OPEB as annuitants under the State Employees Group Insurance Act of 1971 (Act) (5 ILCS 375/3(b)).

In addition, the Illinois Pension Code (40 ILCS 5/15-157) requires the University to, at a minimum, withhold contributions of each employee's total compensation of 8% (9.5% for firefighters or police officers) for their participation in SURS, unless further contributions by the employee would either exceed the maximum retirement annuity in the Code (40 ILCS 5/15-136(c)) or the Tier 2 earnings limitation within the Code (40 ILCS 5/15-111(b)), and remit these amounts to SURS. Further, the Code (40 ILCS 5/15-155(b)) requires the University remit employer contributions to SURS reflecting the accruing normal costs of an employee paid from federal or trust funds. Additionally, the Act (5 ILCS 375/10) requires active employees to make contributions as set by CMS and the Act (5 ILCS 375/11) requires employer contributions by the University for all employees not totally compensated from its Income Fund, local auxiliary funds, and the Agricultural Premium Fund.

Finally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds applicable to operations are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports.

University officials indicated the weaknesses existed, and incomplete and untimely reporting occurred because they had not yet implemented procedures to perform an initial and incremental reconciliation of their records to SURS and CMS census data records and related corrections as of June 30, 2021.

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SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

**2021-001. FINDING: Inadequate Internal Controls over Census Data
(Continued)**

Failure to ensure complete and accurate census data was reported to SURS could result in a material misstatement of the University's financial statements and reduced the overall accuracy of pension/OPEB-related liabilities, deferred inflows and outflows of resources, and expense recorded by the State, the State's agencies, and other public universities and community colleges across the State. In addition, failure to reconcile active members' census data reported to and held by SURS to the University's internal records could result in each plan's actuary relying on incomplete or inaccurate census data in the calculation of the pension and OPEB balances, which could result in a material misstatement of these amounts. Finally, the allocation error involving one component unit in the OPEB plan resulted in misstatements within each employer's allocation, which resulted in a restatement at the University. (Finding Code No. 2021-001, 2020-001)

RECOMMENDATION

We recommend the University implement controls to ensure census data events are timely and accurately reported to SURS.

Further, we recommend the University work with SURS to annually reconcile its active members' census data from its underlying records to a report of census data submitted to SURS' actuary and CMS' actuary. After completing an initial full reconciliation, the University may limit the annual reconciliations to focus on the incremental changes to the census data file from the prior actuarial valuation, provided no risks are identified that incomplete or inaccurate reporting of census data may have occurred during prior periods. Any errors identified during this process should be promptly corrected by either the University or SURS, with the impact of these errors communicated to both SURS' actuary and CMS' actuary.

Finally, we recommend the University work with SURS and CMS to identify and address any unremitted or erroneously remitted employee and, if applicable, employer contributions related to these events.

SOUTHERN ILLINOIS UNIVERSITY
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SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

**2021-001. FINDING: Inadequate Internal Controls over Census Data
(Continued)**

UNIVERSITY RESPONSE

We Agree. SIU Carbondale and SIU Edwardsville have processes and procedures in place for processing certifications, changes, and terminations in the SURS and CMS systems as contracts are received from departments. However, the University had not performed a complete annual reconciliation of the census data with SURS and CMS. As such, the campuses are developing automated processes to address the recommendation. These processes will pull the information to reconcile data needed per the audit. It is planned that the reports will run quarterly (January, April, July, October) and we will also have the capability to run the report for the entire fiscal year in review.

For the June 30, 2021 reconciliation, the process was not fully automated, and was being reconciled by hand. The process is expected to be fully automated by July 2022 at SIUE. SIUC continues to work with AIS with respect to the automation process, and as such a completion date for full automation of the reports is not yet known.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

2021-002. Finding: Inadequate Procedures for Ensuring Compliance with Earmarking Requirements for the Student Support Services Program

Federal Agency: U.S. Department of Education
CFDA Number: 84.042
Program Expenditures: \$777,532
Program Name: TRIO – Student Support Services
Award Number(s): P042A201635 and P9042A151636
Questioned Costs: None

The Southern Illinois University (University) Carbondale campus did not have adequate procedures in place to ensure the earmarking requirements for the Student Support Services program were met during the fiscal year.

During our testing of earmarking requirements for TRIO Student Support Services at the University, we noted the program at the Carbondale campus served 160 students, of which 100 (63%) students met the criteria for being either low-income individuals who are first-generation college students or individuals with disabilities. The University has not implemented sufficient processes and controls over the past several years to ensure compliance with TRIO earmarking requirements.

The Student Support Services Program requires that, in addition to the eligibility criteria for individual students, not less than two-thirds of the program participants will be either low-income individuals who are first-generation college students or individuals with disabilities (34 CFR Section 646.11(a)(1)).

Uniform Guidance (2 CFR 200.303(a)) requires nonfederal entities receiving federal awards establish and maintain effective internal control to reasonably ensure compliance with Federal laws, statutes, regulations, and the terms and conditions of the Federal award. Effective internal controls should include procedures to ensure that all earmarking requirements are reviewed and monitored to ensure compliance.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the establishment and maintenance of a system, or systems, of internal fiscal and administrative controls to safeguard funds against waste, loss, unauthorized use, and misappropriation.

University officials stated the failure to meet the two-thirds requirement was due to a decreasing pool of students who qualify as first-generation and low income and an insufficient recruiting plan to ensure the earmarking requirement was met.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

2021-002. Finding: Inadequate Procedures for Ensuring Compliance with Earmarking Requirements for the Student Support Services Program (Continued)

Without effective controls to review the participants and ensure compliance for TRIO Student Support Services, the University is at a greater risk of not meeting the minimum earmarking requirements, as well as increased likelihood of program reviews from oversight agencies. In addition, the University is at risk of being required to return funds to the Department of Education and/or becoming ineligible to administer the program. (Finding Code No. 2021-002, 2020-003, 2019-001, 2018-002)

RECOMMENDATION

We recommend the University establish processes and procedures, including plans for increasing participation in the program by targeted populations, to ensure it will meet the earmarking program requirements. The University should also implement controls to identify likely disparities in expected and actual results throughout the year and take proactive corrective action as necessary.

UNIVERSITY RESPONSE

We agree. Ongoing changes at the University continue to impact the potential for enrollment growth of minority students which directly impacts the success of the program. Realignment of support services has structured Trio programs in an area with other similar programs that serve students that meet the criteria of the program. This reorganization directly locates Student Support Services in a pipeline of programs to serve students that meet the two-thirds requirement. The new alignment was designed to address the program eligibility requirements and programmatic needs. Additionally, the reorganization places Student Support Services in an area of high recruitment activity. This positioning maximizes the opportunity to connect with students upon arrival to the university.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

2021-003. Finding: Exit Counseling Not Completed

Federal Agency: U.S. Department of Education

CFDA Number: 84.007, 84.033, 84.038, 84.063, 84.268, 84.379, 93.342

Program Expenditures: \$87,910,261

Program Name: Student Financial Assistance Cluster

Award Number(s): P033A151286, P063P170116, P063P180116, P007A151286, P379T180116, P379T190116, P033A191286, P033A141286, P033A151286, N/A

Questioned Costs: None

The Southern Illinois University (University) Edwardsville campus did not complete exit counseling for all necessary students within the required time period.

During our testing of students who received title IV aid at the University, we noted 2 out of 25 (8%) students who received Direct Loans did not complete exit counseling timely after leaving the Edwardsville campus. The sample was not a statistically valid sample. The University has not implemented sufficient processes and controls over the past several years to ensure compliance with exit counseling requirements.

The Edwardsville campus requires students to complete exit counseling when they leave the University after previously attending. During the year, two students attended the University, received direct loans, and officially withdrew during the semesters they attended, but had not completed exit counseling within 30 days of the withdraw date from the University. The exit interviews were conducted between 4 and 5 days late.

According to 34 CFR 685.304(b), a school must ensure that exit counseling is conducted with each Direct Subsidized Loan or Direct Unsubsidized Loan borrower and graduate or professional student Direct PLUS Loan borrower shortly before the student borrower ceases at least half-time study at the school.

According to 34 CFR 682.604(a)(1), if a student borrower withdraws from school without the school's prior knowledge or fails to complete an exit counseling session as required, the school must, within 30 days after learning that the student borrower has withdrawn from school or failed to complete the exit counseling as required, ensure that exit counseling is provided through interactive electronic means, by mailing written counseling materials to the student borrower at the student borrower's last known address, or by sending written counseling materials to an email address provided by the student borrower that is not an email address associated with the school sending the counseling materials.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

2021-003. Finding: Exit Counseling Not Completed (Continued)

Uniform Guidance (2 CFR 200.303(a)) requires non-Federal entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures to ensure student exit counseling is completed appropriately.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the establishment and maintenance of a system, or systems, of internal fiscal and administrative controls to safeguard funds against waste, loss, unauthorized use, and misappropriation.

University officials stated semi-monthly reports to identify withdrawals were not always prepared and reviewed timely. The lack of consistent and timely review of the withdrawal reports for federal direct loans led exit counseling to be completed later than required.

Exit counseling helps federal student loan borrowers understand how to repay their loans and reviews deferment and repayment plan options. During exit counseling, borrower rights and responsibilities are discussed and updated student contact information is collected at the end of the exit counseling session. Failure to complete exit counseling timely can result in students not understanding loan repayment options, rights, and responsibilities, which can lead to a greater potential for loan default. (Finding Code No. 2021-003, 2020-004, 2019-002, 2018-005, 2017-004)

RECOMMENDATION

We recommend the University enforce and monitor controls to ensure all necessary students complete exit counseling within the required time frame.

UNIVERSITY RESPONSE

We agree. SIUE Student Financial Aid has implemented processes to run exit counseling reports nightly in order to notify students of exit counseling requirements at the earliest possible time.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

2021-004. Finding: Information Technology Risk Assessment Not Performed

Federal Agency: U.S. Department of Education

CFDA Number: 84.007, 84.033, 84.038, 84.063, 84.268, 84.379, 93.342

Program Expenditures: \$87,910,261

Program Name: Student Financial Assistance Cluster

Award Number(s): P033A151286, P063P170116, P063P180116, P007A151286, P379T180116, P379T190116, P033A191286, P033A141286, P033A151286, N/A

Questioned Costs: None

The Southern Illinois University (University) Edwardsville campus did not document required risk assessments related to student information security.

As a requirement under the University's Program Participation Agreement with the Department of Education, the University must protect student financial aid information. However, during our testing, we noted they had not conducted a risk assessment identifying internal and external risks to the security, confidentiality, and integrity of the students' information. The University has not implemented sufficient processes and controls over the past several years to ensure compliance with the Gramm-Leach-Bliley Act (GLBA).

The Standards for Safeguarding Customer Information, required by the GLBA (16 CFR §314.4 (b)), requires customers to identify reasonable foreseeable internal and external risks to the security, confidentiality, and integrity of customer information that could result in the unauthorized disclosure, misuse, alteration, destruction or other compromise of such information, and assess the sufficiency of any safeguards in place to control these risks. At a minimum, such a risk assessment should include consideration of risk in each relevant area of operations, including:

- (1) Employee training and management;
- (2) Information systems, including network and software design, as well as information processing, storage, transmission and disposal; and
- (3) Detecting, preventing and responding to attacks, intrusions, or other system failures.

Additionally, the Uniform Guidance (2 CFR 200.303(a)) requires nonfederal entities receiving federal awards establish and maintain effective internal control designed to reasonably ensure compliance with Federal laws, statutes, regulations, and the terms and conditions of the Federal award.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

2021-004. Finding: Information Technology Risk Assessment Not Performed (Continued)

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the establishment and maintenance of a system, or systems, of internal fiscal and administrative controls to safeguard funds against waste, loss, unauthorized use, and misappropriation.

The *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology, Risk Assessment section, requires entities to conduct risk assessments to identify threats and vulnerability and determine the likelihood and magnitude of harm to the University's operations and assets.

University management stated the University did not document a GLBA-focused risk assessment due to ongoing disruption from the COVID-19 pandemic, which strained Information Technology Services' resources during Fiscal Year 2021.

Without documentation of a risk assessment, the University is at risk of noncompliance with the GLBA. In addition, there is a risk that University systems and information could be vulnerable to attacks or intrusions, and these attacks may not be detected in a timely manner. (Finding Code No. 2021-004, 2020-005, 2019-004)

RECOMMENDATION

We recommend the University perform and document a comprehensive risk assessment identifying internal and external risks to the security, confidentiality, and integrity of the students' information. In addition, the University should ensure proper safeguards are in place to ensure the security of student information.

UNIVERSITY RESPONSE

Implemented. In September 2021, at the request of the Office of the U.S. Department of Education, SIUE provided satisfactory response and attestation that the required risk assessment had been performed. The Federal Student Aid (FSA) Cybersecurity Compliance Team reviewed the information provided and determined it was sufficient to close the prior year finding.

SOUTHERN ILLINOIS UNIVERSITY
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SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

2021-005. Finding: Return of Title IV Aid

Federal Agency: U.S. Department of Education
CFDA Number: 84.007, 84.033, 84.038, 84.063, 84.268, 84.379, 93.342
Program Expenditures: \$87,910,261
Program Name: Student Financial Assistance Cluster
Award Number(s): P033A151286, P063P170116, P063P180116, P007A151286, P379T180116, P379T190116, P033A191286, P033A141286, P033A151286, N/A
Questioned Costs: None

Southern Illinois University (University) Edwardsville campus did not complete the return of Title IV aid within the required timeframe for one student.

During our testing of the University's return of Title IV calculations, we noted 1 out of 40 (2.5%) students tested had Title IV aid that was returned to the Department of Education 48 days after the date of withdrawal of the student. The student was an unofficial withdrawal for the semester tested. The sample was not a statistically valid sample.

When a recipient of Title IV grant or loan funds withdraws, the amount of Title IV grant or loan assistance earned by the student must be determined (34 CFR 668.22(a)). Any unearned Title IV funds must be returned to the applicable Title IV program within 45 days of the date the school determined the student withdrew (34 CFR 668.22(j)). The withdrawal date is the date that the student began the withdrawal process, provided official notification to the school in writing or orally, or ceases attendance (34 CFR 668.22(c)).

Uniform Guidance (2 CFR 200.303(a)) requires nonfederal entities receiving federal awards establish and maintain effective internal control to reasonably ensure compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. Effective internal controls should include procedures to ensure return of Title IV aid is completed within the required timeframe.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the establishment and maintenance of a system, or systems, of internal fiscal and administrative controls to safeguard funds against waste, loss, unauthorized use, and misappropriation.

University management stated the failure to return Title IV aid timely was due to lack of oversight when reviewing the listing of withdrawals for the fall semester.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

2021-005. Finding: Return of Title IV Aid (Continued)

Without effective controls to ensure timely return of Title IV aid to the Department of Education for student withdrawals, there is increased likelihood of program reviews by the Department of Education. Continued noncompliance may result in the potential loss of Title IV aid eligibility. (Finding Code No. 2021-005, 2020-007)

RECOMMENDATION

We recommend the University establish processes and procedures to ensure student withdrawals are communicated timely to the appropriate departments to ensure the return of Title IV calculations are completed within required timeframes.

UNIVERSITY RESPONSE

We agree controls should be strengthened to ensure student withdrawals are communicated timely to the appropriate departments so that Return of Title IV calculations are completed within the required timeframes. As such, processes have been implemented to require the necessary reports be run and reviewed on a weekly basis allowing for weekly identification of students for return calculations. Additionally, post reviews are conducted weekly to ensure these processes are carried out as planned.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

2021-006. FINDING: Pilot Plant Not Managed by the Illinois Ethanol Research Advisory Board

Southern Illinois University (University) managed the National Corn-to-Ethanol Research Pilot Plant (“the Pilot Plant”) under the review and guidance of a stakeholders group it created rather than the Illinois Ethanol Research Advisory Board (Advisory Board) mandated by law.

During Fiscal Year 2021, the Advisory Board, which had six of 13 (46%) positions vacant, did not meet or perform its duties of providing review and guidance to the University Board of Trustees to assist in operating and managing the Pilot Plant as required by the State statute. Edwardsville staff had continued to manage the Pilot Plant under guidance of a separate stakeholders group it took upon itself to create, rather than managing the Pilot Plant under the guidance of the Advisory Board required by statute. Although the Advisory Board had seven of 13 (54%) positions filled as needed for a voting majority, all seven of those appointed members had not met in person or remotely since 2012. During Fiscal Year 2021, the University successfully sought a statutory amendment to increase the Advisory Board membership by adding another University representative, which it expected would allow the Advisory Board to more easily achieve a quorum. Public Act 102-370 became effective August 13, 2021. However, the University did not take sufficient measures to implement all appropriate and reasonable corrective actions to correct the underlying cause of this finding, which has been repeated since 2015. The University did not work with the Governor’s Office of Executive Appointments to fill vacancies in Fiscal Year 2021.

The Southern Illinois University Management Act (Act) (110 ILCS 520/6.5) requires the SIU Board of Trustees to operate and manage the Pilot Plant for the purpose of reducing the costs of producing ethanol through the development and commercialization of new production technologies, equipment, processes, feedstocks, and new value added co-products and by-products. This work shall be conducted under the review and guidance of the Advisory Board.

The Act (110 ILCS 520/6.6) established the Advisory Board. During Fiscal Year 2021, the Advisory Board was required to be composed of 13 members including the President of the University, who shall be chairman, and six members appointed by the Governor representing the ethanol industry, growers, suppliers, and universities. During the examination period, seven of the 13 members constituted a quorum. The Act states the Advisory Board shall meet at least annually and have the following duties:

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A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

2021-006. FINDING: Pilot Plant Not Managed by the Illinois Ethanol Research Advisory Board (Continued)

- Review of annual operating plans and budget of the Pilot Plant: Advising on research and development priorities and projects to be carried out at the Pilot Plant;
- Advising on policies and procedures regarding the management and operation of the Pilot Plant;
- Developing bylaws;
- Submitting a final report to the Governor and General Assembly outlining the progress and accomplishments made during the year along with a financial report for the year, and
- Establishing and operating, subject to specific appropriation for the purpose of providing facility operating funds, the National Corn-to-Ethanol Research Center of Excellence (the Research Center) with purposes and goals including conducting research, providing training, consulting, developing demonstration projects, and service as an independent resource to the ethanol industry.

University management indicated a meeting of the Advisory Board was not scheduled or held during Fiscal Year 2021 because a stakeholders group of 52 people, including two Advisory Board members, met instead in October 2020 to finalize the Research Center Operating Plan.

Failure to comply with the Act prohibits the University's ability to manage the Pilot Plant as envisioned by the General Assembly. Managing the Pilot Plant by a group other than the Advisory Board required by the statute undermines the authority of the legislature. (Finding Code No. 2021-006, 2020-011, 2019-006, 2018-008, 2017-011, 2016-011, 2015-011)

RECOMMENDATION

We recommend the University work with Advisory Board members to schedule an annual meeting of the Advisory Board that a sufficient number of members will attend to achieve a quorum so the Board can perform its duties under the Act. We further recommend the University work with the Governor's Office of Executive Appointments to fill the six vacancies on the Advisory Board.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

2021-006. FINDING: Pilot Plant Not Managed by the Illinois Ethanol Research Advisory Board (Continued)

UNIVERSITY RESPONSE

We agree. SIU has successfully sought legislative change to the applicable section of the Southern Illinois University Management Act to remedy this weakness. Specifically, the Advisory Board shall now be composed of 14 members, adding the SIUC Dean of the College of Agricultural, Life, and Physical Sciences to its membership. This addition should make it possible to attain a quorum of the Advisory Board even if the 6 at-large member positions remain unfilled by the Governor. This change became effective upon becoming law on August 3, 2021, however, due to a last-minute cancellation, a quorum was still not achieved at the October 19, 2021 meeting. We did however achieve a quorum at our March 29, 2022 Advisory Board / Stakeholders meeting.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

2021-007. Finding: Failure to Require Faculty Timesheets

Southern Illinois University (University) did not have a policy that requires all employees to periodically submit timesheets documenting the time spent each day on official University business to the nearest quarter hour as required by the State Officials and Employees Ethics Act (Act).

The Act required the Illinois Board of Higher Education (IBHE), with respect to State employees of public universities, to adopt and implement personnel policies. The IBHE adopted personnel policies for public universities on February 1, 2004, in accordance with the Act. However, after more than 15 years, the University had still not incorporated IBHE policies into the University's policies.

We noted that the University's faculty did not submit timesheets in compliance with the Act. The process was effectively a "negative" timekeeping system for faculty whereby the employee was assumed to be working unless noted otherwise. No timesheets documenting the time spent each day on official State business to the nearest quarter hour were required for faculty. During Fiscal Year 2007, the University adopted a policy to require timesheets from all employees except faculty. No policy changes were made by the University to the 2007 requirement during Fiscal Year 2021 or prior years. The University did not take sufficient measures to implement all appropriate and reasonable corrective actions to correct the underlying cause of this finding, which has been repeated since 2005. During Fiscal Year 2021, the University employed 2,295 faculty.

The Act (5 ILCS 430/5-5(c)) states, "The [University] policies shall require State employees to periodically submit timesheets documenting the time spent each day on official State business to the nearest quarter hour."

University management stated the University had not incorporated the requirement for faculty to submit timesheets on a periodic basis into their personnel policies or the union contract because the language had been tentatively agreed to for an upcoming contract to be ratified by the union in Fiscal Year 2022.

By not requiring legally mandated timesheets from all of its employees, the University does not ensure accountability for the time spent by faculty on official state business as contemplated by the Act for State university employees. Positive timekeeping by faculty could serve as a deterrent to misuse of State time, help detect discrepancies in time worked and reported, and provide documentation to assist with necessary administrative

SOUTHERN ILLINOIS UNIVERSITY
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SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

2021-007. Finding: Failure to Require Faculty Timesheets (Continued)

or legal actions. (Finding Code No. 2021-007, 2020-012, 2019-007, 2018-006, 2017-010, 2016-010, 2015-009, 2014-007, 2013-016, 12-10, 11-5, 10-4, 09-3, 08-5, 07-10, 06-4, 05-1)

RECOMMENDATION

We recommend the University work with the faculty unions to amend its policies to require all employees to submit timesheets documenting time spent daily on official State business to the nearest quarter hour in compliance with the Act.

UNIVERSITY RESPONSE

We agree. In FY22, SIUC completed negotiations with the remaining faculty unions, one of the items in which an agreement was reached included the subject of time reporting. Collective bargaining agreements with these unions have been executed which instruct faculty to report time on university business. SIUC is in the bargaining cycle with the faculty unions currently and time reporting is one of the issues included in the negotiations. Though there is no way to know the exact timeframe, those negotiations are hoped to conclude by the Fall 2022 semester.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

2021-008. Finding: Weakness in Computer Inventory Control

Southern Illinois University (University) was unable to locate 28 computers from the Edwardsville campus, 32 computers from the Carbondale campus and 5 computers from the Springfield campus during their annual inventory.

During the University's annual inventory, they noted 65 computers were missing across three campuses. Although the University had established procedures for requiring encryption on computers that could have confidential information on them, the University could not determine if the missing computers were encrypted or contained confidential information. After computers were reported missing, the University requested responsible staff to determine if confidential information was maintained on those computers; however, no formal verification was conducted. Therefore, the auditors could not determine if the computers had confidential information exposed.

The original cost of these items for the Edwardsville and Carbondale (including the Springfield campus) campuses totaled \$18,910 and \$38,751, respectively. Management has not taken sufficient substantial corrective actions to correct the underlying cause of this finding, which has been repeated since 2012.

The State Property Control Act (30 ILCS 605/4 and 6.02) requires every responsible officer of State government to be accountable to the administrator for the supervision, control and inventory of all property under its control. In addition, the University had the responsibility to ensure that confidential information was protected from disclosure and complied with the provisions of the Personal Information Protection Act (815 ILCS 530).

University management stated corrective actions taken to date had not fully eliminated all weaknesses noted because budgetary constraints restrict the amount of manpower that can be allocated to this project.

Failure to maintain adequate controls over computer inventory has resulted in lost or stolen computer inventory and the potential for unintended exposure of confidential information. (Finding Code No. 2021-008, 2020-013, 2019-009, 2018-010, 2017-013, 2016-012, 2015-008, 2014-006, 2013-015, 12-11)

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

2021-008. Finding: Weakness in Computer Inventory Control (Continued)

RECOMMENDATION

We recommend the University:

- Review current practices to determine if enhancements can be implemented to prevent the theft or loss of computers.
- Evaluate and secure computers to ensure confidential information is protected.
- Perform and document an evaluation of data maintained on computers and ensure those containing confidential information are adequately tracked and protected with methods such as encryption.

Additionally, we recommend the University conduct an analysis to determine if confidential information was maintained on the unlocated computers. If so, we recommend the University comply with the notification requirements of the Personal Information Protection Act.

UNIVERSITY RESPONSE

We agree that continued efforts can be taken to further improve the control of computer inventory on our campuses. Each campus is forming working groups consisting of representation from various campus departments, to address the issues from a broader perspective. These groups will continue to meet to discuss best practices and look for enhancements to current systems. Specifically, SIUC Property Control will transition to a more modern approach to asset tracking as soon as it becomes available.

Our Technology Offices (SIUC Office of Information Technology and SIUE Information Technology Services) continue to monitor data loss prevention practices and encryption of assets on the SIU domains. These Offices continue to push encryption to the fleet, and as the University has aged out old computers and gotten newer machines the number of encrypted machines has climbed into the 90% range.

It is our hope that the continued focus on the issue of missing computers will reduce the loss of assets and data. However, with the size of our inventory of computer assets, it is unlikely that any solution will completely eliminate loss.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

2021-009. Finding: Forensic Psychiatry Fellowship Training Program

Southern Illinois University (University) did not establish a forensic psychiatry fellowship training program as required by statute.

The Forensic Psychiatry Fellowship Training Act (Act) (110 ILCS 46/1) requires the University to expand their focus on enrolling, training, and graduating forensic mental health professionals by creating a forensic psychiatry fellowship training program at their college of medicine. The Act granted the University the power to increase services and training commitments in order to provide mental health care to chronically mentally ill populations in Illinois; and to establish clinical and educational centers and to cooperate with other entities. The Act mandates the University to coordinate service, education, and research in mental health with other entities and requires the majority of fellows' clinical rotations be served in publicly supported programs in Illinois.

The University had not offered a forensic psychiatry fellowship training program at its School of Medicine since the mandate became effective in August 2007. Furthermore, the University had not sought funding nor the repeal of this mandate during Fiscal Year 2021. Approximately 4%, or 391,000, of Illinois adults had serious mental health conditions in 2017 to 2019, and "29% of Illinois adults who had experienced serious psychological distress in the past year reported unmet need" according to the national Substance Abuse and Mental Health Services Administration.

University management indicated they were not aware a fellowship was required to be created regardless of funding status and the University lacked funding to comply with this mandate.

Failure to create a fellowship training program inhibits the University's ability to provide students fellowship opportunities within forensic psychiatry and the ability to help meet mental health needs in Illinois as intended by the Act. (Finding Code No. 2021-009)

RECOMMENDATION

We recommend the University take measures to establish a forensic psychiatry fellowship training program and to request funding if needed, or to seek legislative change. We further recommend the University implement internal controls to monitor laws, assess applicability, and ensure compliance.

SOUTHERN ILLINOIS UNIVERSITY
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SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

**2021-009. Finding: Forensic Psychiatry Fellowship Training Program
(Continued)**

UNIVERSITY RESPONSE

We agree that a forensic psychiatry fellowship training program had not been established. For the School of Medicine to participate in the Forensic Psychiatry Fellowship, the State of Illinois will need to provide the funding. While the University does not want to see the fellowship eliminated, it plans to seek relief from this unfunded mandate by recommending the statute be amended to make the act subject to appropriation. The goal was to address this through an omnibus state government statute clean-up bill this spring, that would make the fellowship subject to appropriation. Unfortunately, that effort for this year was unsuccessful. As such, we are hopeful to either get this included in next year's omnibus statute clean-up bill and/or to introduce our own legislation making the change to the statute. Both of those will occur in January/February 2023.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

2021-010. Finding: Lack of Adequate Controls Over the Review of Internal Controls for Service Providers

Southern Illinois University (University) lacked adequate controls over its service providers.

The University utilized over 100 service providers for various services including, but not limited to, banking, investment and business services; debt financing; information technology hosting services; and software as a service.

The University is responsible for ensuring the design, implementation, and maintenance of internal controls related to information systems and operations to adequately protect resources and data from unauthorized or accidental disclosure, modifications, or destruction. This responsibility is not limited due to the process being outsourced.

The University established a formal process for identifying and managing service providers and obtaining the System and Organization Controls (SOC) reports from the service providers on an annual basis. While certain aspects of the formal process were in place during the examination period, the new process was not fully implemented.

We requested the campuses to provide a population of service providers utilized. Although they provided the population, we noted it to be incomplete.

Our testing of the campuses' population of service providers identified the following exceptions:

- Two of 32 vendors sampled (6%) were classified as service providers but were not service providers of the University.
- For 3 of 32 vendors sampled (9%) classified as service providers, documentation provided was not sufficient to determine if they were service providers.

We further noted the risk assessment questionnaire for onboarding vendors and service providers did not consistently document the sensitive data and related processing performed by the service providers. It also did not document alternate means of addressing service provider risks beyond review of SOC reports, such as review of the service provider's internal controls or attestation reports. Also, University personnel lacked sufficient guidance for completing their assessments to identify risks related to service providers and the documentation required to determine when the third party should be classified as a vendor or service provider.

Due to the conditions noted above, we were unable to conclude the University's population of service providers were complete, accurate, and reliable under the Attestation Standards promulgated by the American Institute of Certified Public

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

2021-010. Finding: Lack of Adequate Controls Over the Review of Internal Controls for Service Providers (Continued)

Accountants (AT-C 205.36). Even given these population limitations, we selected a sample of service providers and noted the following:

- The University had not obtained SOC reports or documented an assessment of controls for 5 of 15 (33%) service providers.
- The University did not maintain the SOC report for 3 of 15 (20%) service providers where the University had documented their review of controls. Therefore, we were unable to determine whether the SOC reports were adequately reviewed, Complementary User Entity Controls (CUECs) were properly identified, monitored and documented; and SOC reports for subservice organizations were obtained and reviewed or alternative procedures performed to determine the impact on its internal control environment.
- The University did not document all key elements of their review of SOC reports including opinions, weaknesses reported and management's responses, CUECs and mapping to related internal controls at the University, and SOC reports or alternative procedures for sub-service organizations.

Additionally, it was noted the contracts between the University and the service providers did not contain a requirement for an independent review to be completed.

Weaknesses in the review of internal controls for service providers was first noted during the compliance examination for the year ended June 30, 2018. Sufficient corrective action has not been implemented by the University to ensure a process for identifying all service providers and ensuring SOC reports are obtained and fully reviewed to ensure University resources are adequately safeguarded.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls, which shall provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

The *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST), Maintenance and System and Service Acquisition sections, requires entities outsourcing their IT environment or operations to obtain assurance over the entities internal controls related to the services provided. Such assurance may be obtained via SOC reports or independent reviews.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

2021-010. Finding: Lack of Adequate Controls Over the Review of Internal Controls for Service Providers (Continued)

University management indicated the conditions noted were due to the time needed to implement their new process, difficulties encountered in identifying and tracking service providers across each campus and department, and challenges in obtaining and documenting assurance of service providers' internal controls.

The lack of a complete population of service providers makes it difficult to assess controls at the service provider, which may impact the security, integrity, availability, confidentiality, and security of its computer systems and data. Without having obtained and fully reviewed SOC Reports or another form of independent internal control review, the University does not have assurance the service providers' internal controls are adequate. (Finding Code No. 2021-010, 2020-015, 2019-010, 2018-012)

RECOMMENDATION

We recommend the University fully implement their process and strengthen controls to identify and document all service providers utilized and determine and document if a review of controls is required. Where appropriate, we recommend the University ensure knowledgeable staff:

- Obtain and maintain SOC reports or (perform independent reviews) of internal controls associated with outsourced systems at least annually.
- Monitor and document the operation of the CUECs related to the University's operations.
- Either obtain and review SOC reports for subservice organizations or perform alternative procedures to satisfy itself the existence of the subservice organizations would not impact the internal control environment.
- Document its review of the SOC reports and review all significant issues with subservice organizations to ascertain if a corrective action plan exists and when it will be implemented, any impacts to the University, and any compensating controls.
- Review contracts with service providers to ensure applicable requirements over the independent review of internal controls are included.

UNIVERSITY RESPONSE

We agree that the established process for reviewing the internal controls of our service providers contains certain weaknesses which should be improved.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

2021-010. Finding: Lack of Adequate Controls Over the Review of Internal Controls for Service Providers (Continued)

We agree to take the following actions to strengthen our process:

- University will amend processes to ensure all third-party service providers are properly identified so that a complete and accurate list of third-party service providers can be generated.
- University will enhance the description of the services provided to include what sensitive data and related processing are being performed by the third-party service provider.
- University will develop a process for documenting internal control reviews using alternative methods in the event a SOC report is not available.
- University will educate employees on how to properly complete the Risk Assessment Form and the SOC Compliance Checklist.
- University will consider the need to amend contract templates or vendor contracts, to the extent possible, to include provisions for the delivery of a SOC report or for the independent review of internal controls, when deemed necessary.
- University will review and enhance its process as necessary to ensure documentation includes a sufficient audit trail of the review performed and basis for conclusions reached.

We currently do not intend to begin storing/maintaining SOC reports upon completion of the associated review. Maintaining the confidential business data of third-party vendors that represents an effective map of internal security controls and weaknesses of an outsourced entity presents very high risk and high impact damages to the University with no business benefit or return, especially once vendor security controls have been reviewed, breach liability has been established, and a risk decision has been made. We agree to re-evaluate our process to enhance it as needed to ensure a sufficient audit trail of the review process and conclusions reached, despite not maintaining the SOC report. We will also re-visit the SOC maintenance and storage issue with SIU legal counsel.

ACCOUNTANT'S COMMENT

Given the University's intention of not maintaining SOC reports, we will not be able to review the efficiency and effectiveness of the service providers' internal controls and the associated examination of the controls by an independent service auditor. In addition, we may be required to conduct additional testing to determine the University's compliance with the specified requirements.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

2021-011. Finding: Noncompliance with Illinois Articulation Initiative

Southern Illinois University (University) did not maintain a minimum of one approved course per major under the Illinois Articulation Initiative (Initiative or IAI) for some majors offered by the University.

The Initiative, through its itransfer.org website, exists to ease the transfer of students among the State's associate and baccalaureate degree granting institutions. The Initiative consists of both a General Education Core Curriculum package, where completion of the entire package at one institution is fully accepted by 108 institutions across the State, and an Initiative major, which are common courses at the lower-division level that can be used to ensure students are prepared for upper-division work at 78 institutions across the State.

During testing, we noted the University did not have a minimum of one course approved by the Initiative panel included within the related Initiative major for its early childhood education and political science degree programs.

The Illinois Articulation Initiative Act (Act) (110 ILCS 152/15) requires the University participate in the Initiative by maintaining a minimum of one course in the related Initiative major, if the University has an equivalent major and courses.

University management stated they submitted potential equivalent courses during 2021 but were awaiting review and approval by the Initiative. Management further stated they disagreed with this finding due to a different interpretation of the Act's requirements.

Failure to fully participate in the Initiative by maintaining at least one course approved by the IAI panel per Initiative major, when an equivalent major and courses exist, could hinder students looking to transfer to other institutions and represents noncompliance with State law. (Finding Code No. 2021-011, 2020-014)

RECOMMENDATION

We recommend the University comply with the requirements of the Act or seek legislative change.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

2021-011. Finding: Noncompliance with Illinois Articulation Initiative (Continued)

UNIVERSITY RESPONSE

We disagree on the basis of interpretation. 110 ILCS 152/15 clearly states “all public institutions shall maintain up to 4 core courses in an Illinois Articulation Initiative major, provided the public institution has equivalent majors and courses.” We understand that the audit finding does not place emphasis on the “and courses” portion of the directive. However, we have no current or historical documentation that compels us to believe the intent to be that we would change or create courses to match panel criteria in all majors that we offer when IAI recommendations exist for that major. We will continue our effort to reconcile the differing interpretations, and if we learn that our interpretation is not in line with the intent of the legislation, we will take steps to become fully compliant.

ACCOUNTANT’S COMMENT

The General Assembly required participation in the Initiative by the State's public universities to enhance the ability of students, after completing their lower-division coursework, to transfer to any of the 78 four-year institutions participating in the Initiative without having to retake courses similar to the courses they took at their initial institution.

For majors, the Initiative has major categories (such as early childhood education) which each have several course descriptors (such as (1) child growth and development, (2) the exceptional child, and (3) child, family, and community for early childhood education) that then have underlying elements that must be in a course under the course descriptor (such as (1) understanding the interrelationship between children's holistic well-being and development, (2) developmental domains, their interrelationship, and factors contributing to variations in development, (3) comprehension of the stages and variations across the developmental domains, (4) application of early care and education practices, (5) recognition of the consequences of stress, trauma, protective factors, and resilience, and (6) understanding of child development within a socio-cultural context for child growth and development). Each campus of the State's public universities, as a separate institution within the Initiative, is responsible for identifying if their campus offers an equivalent course within the definition of the Initiative's underlying course descriptors for each major offered in the Initiative. Then, each institution must select, at least, one course that meets one of the course descriptors within an Initiative major and get this course accepted into the Initiative by ensuring the selected course meets the course descriptor's underlying elements.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

**2021-011. Finding: Noncompliance with Illinois Articulation Initiative
(Continued)**

If the interpretation of the Act was solely for a campus to review its courses and conclude any incongruence with the underlying elements within a course descriptor, no matter how minor, meant the institution did not offer an equivalent course, then the legislative purpose of the Act would be frustrated. In this scenario, it is highly unlikely any of the 78 participating institutions would have had complete alignment between the syllabi and content of their courses without some modification and convergence through the Initiative.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

2021-012. Finding: Weakness in Cybersecurity Programs and Practices

Southern Illinois University (University) had not implemented adequate internal controls related to cybersecurity programs and practices.

The University carries out its mission through the use of Information Technology (IT), including various applications, which contain confidential or personal information such as names, addresses, social security numbers and health information of its students.

The Illinois State Auditing Act (30 ILCS 5/3-2.4) requires the Auditor General to review State agencies and their cybersecurity programs and practices. During our examination of the University's cybersecurity program, practices, and control of confidential information, we noted:

- The University's Edwardsville campus had not established a formal, comprehensive risk management framework for identifying, managing, and mitigating risks for all information systems. Although the Edwardsville campus financial departments incorporated the assessment of key financial IT security risks in their enterprise risk management, it was not a sufficient and did not identify specific risk management framework for all operations.
- The University's Carbondale campus IT risk assessment was not comprehensive. It did not take decentralized systems into consideration in performing risk assessments to ensure a complete evaluation of inherent risk exposure.
- The University's Edwardsville campus information technology and records management policies and procedures in place during the examination period did not adequately address:
 - Configuration management;
 - Cyber security awareness and training;
 - On-boarding policies for staff and contractors;
 - System development standards;
 - Change management;
 - Disaster recovery planning, maintenance, and testing; and
 - Data maintenance and destruction.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

**2021-012. Finding: Weakness in Cybersecurity Programs and Practices
(Continued)**

The *Framework for Improving Critical Infrastructure Cybersecurity* and the *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST) requires entities to consider risk management practices, threat environments, legal and regulatory requirements, mission objectives and constraints in order to ensure the security of their applications, data, and continued business mission.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

The Edwardsville campus management indicated they had not fully developed a formal comprehensive risk framework, implemented a cybersecurity risk assessment, and updated their security policies and procedures by the end of FY21 due to a lack of resources. Carbondale campus management indicated their risk assessment was not comprehensive due to a decentralized IT organization, where certain IT systems are not managed by the Office of Information Technology. University management further stated they prioritized tasks based on risk and available resources using best practice guidance scaled for their operations.

The lack of an adequate, comprehensive cybersecurity risk management framework, risk assessment, policies and procedures could result in unmitigated risks and ineffective controls and ultimately lead to the University's computer systems and data being susceptible to cyber-attacks and unauthorized disclosure. (Finding Code No. 2021-012, 2020-016)

RECOMMENDATION

We recommend the University:

- Review their risk management frameworks to ensure it is comprehensive and adequate for assisting the University in ensuring its risks are identified, managed and mitigated where appropriate.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

2021-012. Finding: Weakness in Cybersecurity Programs and Practices
(Continued)

RECOMMENDATION (CONTINUED)

- Ensure all campuses have a comprehensive risk assessment completed. Additionally, we recommend the University ensure all risk assessments are comprehensive and take decentralized systems into consideration in performing their risk assessments to ensure a complete evaluation of inherent risk exposure.
- Review existing security-related policies and procedures to ensure they are updated to adequately address the University's security needs. Additionally, we recommend the University ensure the Edwardsville Campus updates its security policies to adequately address:
 - Configuration Management;
 - Cyber security awareness and training;
 - On-boarding policies for staff and contractors;
 - System development standards;
 - Change management;
 - Disaster recovery planning, maintenance, and testing; and
 - Data maintenance and destruction

UNIVERSITY RESPONSE

We agree that a comprehensive technology risk assessment should be completed on our campuses. However, in many instances, all IT activities of the campuses are not fully centralized under the reporting structure of our Information Technology offices (SIUC Office of Information Technology and SIUE Information Technology Services). As such, performing comprehensive campus-wide IT risk assessments present a challenge. Our Technology offices do, when performing their departmental annual risk assessments, take into consideration that there are certain systems and assets that are outside of their control, and score the risk assessment appropriately acknowledging that lack of control. In addition, the Technology offices do not have the authority to require that decentralized units perform a risk assessment, instead can only recommend, and educate. With that limitation in mind, our Technology offices will provide the risk assessment framework to these units along with the necessary education, and request that they perform their own regular assessments and act accordingly on the results. Our Technology offices will also propose that University administration adopt a policy that each unit be required to perform a technology risk assessment on an annual basis that includes all aspects of their IT activities utilizing the same risk assessment framework as our Technology offices.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

**2021-012. Finding: Weakness in Cybersecurity Programs and Practices
(Continued)**

Our Technology offices will also seek counsel from the system office of Risk Management regarding guidance on the University's overall risk appetite in order to ascertain the level to which we should build our programs and policies, and then act accordingly in enhancing associated policies if deemed necessary.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

2021-013. Finding: Weakness with Payment Card Industry Data Security Standards

Southern Illinois University (University) had not completed all requirements to demonstrate full compliance with the Payment Card Industry Data Security Standards (PCI DSS).

In Fiscal Year 2021, the University estimated it handled approximately 340,650 transactions totaling over \$10 million. To ensure the University had proper internal controls, we requested the University provide a listing of their merchant identification numbers (MIDs) in order to conduct detailed testing. Although the University provided listings, the MIDs for the Carbondale campus, Edwardsville campus, and the School of Medicine listings were incomplete.

Due to these conditions, we were unable to conclude the University's population records were sufficiently precise and detailed under the Professional Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.36). Even given the population limitations, we performed testing on a sample of MIDS. Our testing noted:

- The University's Carbondale campus did not complete the correct SAQ for 1 of 10 (10%) sampled MIDs. As a result, 11 of 33 applicable requirements (33%) were not assessed for e-commerce payments accepted.
- At the Edwardsville campus, we noted:
 - The incorrect SAQ had been completed for 4 of 8 (50%) sampled SAQs. As a result, 27 of 116 (23%) relevant questions were not responded to in the completed SAQ and Attestation on Compliance. In addition, the expected validation/testing required by the SAQ was not performed as part of the validation activities.
 - For 1 of 8 (13%) sampled, roles and responsibilities had not been formally defined with the vendor and therefore, the correct SAQ could not be determined.

PCI DSS was developed to detail security requirements for entities that store, process or transmit cardholder data. Cardholder data is any personally identifiable data associated with a cardholder.

To assist merchants in the assessments of their environment, the Council has established SAQs for validating compliance with PCI's core requirements. At a minimum, PCI DSS required completion of SAQ A; which highlights specific requirements to restrict access to paper and electronic media containing cardholder data, destruction of such media when it is no longer needed, and requirements for

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

2021-013. Finding: Weakness with Payment Card Industry Data Security Standards (Continued)

managing service providers. As additional elements, such as face-to-face acceptance of credit cards and point-of-sale solutions are introduced into the credit card environment being assessed, additional PCI DSS requirements apply.

Selection of the correct SAQs for completion is the first step to satisfy an organization's annual requirement to validate compliance with PCI. Validating compliance is required based on contractual obligations with an organization's payment processor and/or acquiring bank. Maintaining an accurate list of service providers with the description of services provided is required by PCI Requirement 12.8.1.

University management indicated these deficiencies were due to oversight, competing priorities and/or misunderstandings in identifying the appropriate SAQs despite guidance sought.

Failure to establish and maintain adequate procedures to handle and protect confidential and personally identifiable information could result in identity theft or other unintended use. (Finding Code 2021-013, 2020-017)

RECOMMENDATION

We recommend University implement internal controls in identifying and documenting all of their MIDs. Further, we recommend the University:

- At least annually, properly assess each program accepting credit card payments, the methods in which payments can be made, and match these methods to the appropriate SAQ.
- Complete the appropriate PCI DSS AOC and SAQs for its environment and maintain documentation supporting its validation efforts.
- Ensure roles and responsibilities are formally defined with the vendor to allow the correct SAQ to be determined.

UNIVERSITY RESPONSE

We agree. All campuses agree with the finding and the necessary steps are being taken to remedy the weaknesses noted.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

2021-014. Finding: Security Related Weaknesses

Southern Illinois University (University) did not maintain adequate security controls over its environment and devices.

The University maintains computer resources across three campuses for users to conduct University functions. During testing, we selected a sample of workstations, servers, applications and firewalls to determine if security had been properly implemented to protect information assets and resources from unauthorized access and/or compromise of system integrity. Our testing noted the University did not maintain adequate security controls over some of their workstations, servers, and firewalls.

The *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology, Configuration and Maintenance sections, requires entities to maintain adequate security controls over their environment and devices.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

University management indicated weaknesses in information security were due to limited resources prioritized to areas of greatest concern and additional time needed to implement corrective action.

Failure to implement adequate security controls over the environment and devices exposes the University to increased danger of unauthorized access and the loss or corruption of critical and confidential data. (Finding Code No. 2021-014, 2020-018)

RECOMMENDATION

We recommend the University implement adequate security controls across the University's environment and devices.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

2021-014. Finding: Security Related Weaknesses (Continued)

UNIVERSITY RESPONSE

We agree that the University did not maintain adequate security controls over some of its workstations, servers and firewalls. SIU will continue to implement adequate security controls across the University's environment and devices, in accordance with its current practices, to ensure information assets and resources are protected from unauthorized access and/or from compromises of system integrity.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

2021-015. Finding: Publications Filed with the State Library

Southern Illinois University (University) did not submit all required documents to the Illinois State Library as mandated by the State Library Act (Act).

The University did not have sufficient internal controls in place to ensure all of its publications were provided to the State Library. The most recent annual listing reported only 15 publications had been filed by the University with the State Library; the submitted publications consisted of an annual report, three law journals, a volume of language and literature papers, and ten books.

The Act (15 ILCS 320/21) requires the University to provide and deposit with the Illinois State Library sufficient copies of all publications issued by such State agencies for its collection and for exchange purposes. The Act states “publications” means any document, report, directory, bibliography, rule, regulation, newsletter, pamphlet, brochure, periodical or other printed material paid for in whole or in part by funds appropriated by the General Assembly or issued at the request of a State agency, excepting however, correspondence, inter-office memoranda, and confidential publications.

The Illinois Administrative Code (Code) (23 Ill. Admin. Code 3020.120) states that within one week after a State university receives publications it intends to issue, the University shall deposit two physical copies and one electronic copy of all publications with the Government Documents Section.

University management indicated some of the University’s general publications were not submitted to the State Library due to a misunderstanding of the documents required to be filed.

Failure to provide all required documents to the State Library prevents the availability of such documents at the designated State repository for its collection and exchange purposes as mandated by the State legislature. (Finding Code No. 2021-015)

RECOMMENDATION

We recommend the University inform staff of submission requirements and implement internal controls to ensure all required publications paid at least partially by appropriated funds are submitted to the State Library in accordance with the Act and the Code.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

2021-015. Finding: Publications Filed with the State Library (Continued)

UNIVERSITY RESPONSE

SIU accepts the audit finding. It did not have in place sufficient internal controls to collect and submit all required publications to the State Library in accordance with the new interpretation of the State Library Act. Given this interpretation, SIU will work toward the development of a process to comply with its onerous requirements. The Deans of the Library at SIUC and SIUE are developing a corrective plan to identify, collect, and submit the University's general publications of printed material to the State Library.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2021

2021-016. Finding: Missing I-9 Forms

The Southern Illinois University (University) Edwardsville campus was unable to locate Employment Eligibility Verification Forms (Form I-9) for two personnel files tested.

During our testing of personnel files, we noted that 2 of 25 (8%) files examined did not have an Employment Eligibility Verification Forms (Form I-9) included within the file.

The Immigration Reform and Control Act of 1986 (8 U.S. Code § 1324a) as well as the Code of Federal Regulations (8 C.F.R. § 274a.2) require an entity to obtain an Employment Eligibility Verification Form (Form I-9) from all employees. The State Records Act (5 ILCS 160/8) requires agencies to preserve records containing adequate and proper documentation of the organization, policies, decisions, procedures, and essential transactions of the agency designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the agency's activities.

University management indicated procedures in place were not followed to maintain required documents in each personnel file.

Failure to maintain adequate controls over required employment forms could result in unauthorized individuals being employed by the University. (Finding Code No. 2021-016)

RECOMMENDATION

We recommend the University review document retention policies with employees to ensure the required forms are maintained in employee personnel files.

UNIVERSITY RESPONSE

We agree and corrective action has been implemented. Procedures for the maintenance of I-9 forms have been reviewed and enhanced, and responsible employees have been trained to ensure forms are maintained in accordance with the guidance set by the U.S. Citizenship and Immigration Services (USCIS) for I-9 retention and storage.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
PRIOR FINDINGS NOT REPEATED
For the Year Ended June 30, 2021

A. **FINDING: Insufficient Controls over Financial Reporting of Capital Asset Additions**

During the prior engagement period, Southern Illinois University (Carbondale) recorded and failed to detect an incorrect value for an in-kind contribution of a capital asset, which resulted in an overstatement of capital assets and the related depreciation expense at June 30, 2020.

Status: Not Repeated

During the current engagement period, our sample testing did not identify any instances of improper recording of capital assets additions. (Finding Code No. 2020-002)

B. **FINDING: Insufficient Controls over Cash Management of Expenditures of Federal Awards**

During the prior engagement period, the University did not have adequate procedures in place to ensure cash management requirements for the student portion of the Higher Education Emergency Relief Funds (HEERF) were met during the fiscal year. The University drew down the full student portion of HEERF dollars allocated but did not spend all funds by year end or return unspent funds to the Department of Education.

Status: Not Repeated

During the current year engagement, the auditor's testing indicated the University incurred eligible expenditures prior to drawing down federal funds. The University revised its process for drawing down HEERF funds to ensure that drawdowns were requested on the reimbursement basis. (Finding Code No. 2020-006)

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
PRIOR FINDINGS NOT REPEATED (CONTINUED)
For the Year Ended June 30, 2021

C. FINDING: Student Enrollment Reporting

During the prior engagement period, Southern Illinois University (University) Edwardsville Campus did not have adequate procedures in place to ensure that program-level student enrollment data elements were reported accurately and timely.

Status: Not Repeated

During the current engagement period, our sample testing did not identify any instances of noncompliance with student enrollment reporting requirements. (Finding Code No. 2020-008)

D. FINDING: HEERF Reporting

During the prior engagement period, Southern Illinois University (University) Edwardsville campus did not have adequate procedures in place to ensure the required data elements for Higher Education Emergency Relief Funds (HEERF) 18004(a)(1) Student Aid Portion awards were publicly posted accurately and timely.

Status: Not Repeated

During the current engagement period, our sample testing did not identify any instances of noncompliance with HEERF reporting requirements. (Finding Code No. 2020-009)

E. FINDING: HEERF Institutional Expenditures

During the prior engagement period, Southern Illinois University (University) Carbondale campus did not have adequate procedures in place to ensure Higher Education Emergency Relief Fund (HEERF) 18004(a)(1) Institutional Aid Portion awards were spent on allowable expenditures. The University issued payments for lost wages to student workers who continued to work and earn wages on campus.

Status: Not Repeated

During the current engagement period, our sample testing did not identify any instances of noncompliance with HEERF allowable expenditure requirements. (Finding Code No. 2020-010)

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
DISCLOSURES ACCOMPANYING A STATE COMPLIANCE EXAMINATION REPORT
For the Year Ended June 30, 2021

DISCLOSURES REPORT

SUMMARY

A reading of the accompanying report components of Southern Illinois University was performed by Plante & Moran, PLLC.

ACCOUNTANT'S REPORT

The accountants did not conclude an omission or uncorrected material misstatement of the other information exists in the Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report.

EXIT CONFERENCE

The University waived an exit conference in a correspondence from Kim Labonte, Executive Director, Internal Audit, on June 24, 2022.

INDEPENDENT ACCOUNTANT’S REPORT
ON DISCLOSURES ACCOMPANYING A STATE COMPLIANCE EXAMINATION REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois
and
Board of Trustees
Southern Illinois University

Disclosures Accompanying a State Compliance Examination Report

Management of Southern Illinois University (the University) is responsible for the *Disclosures Accompanying a State Compliance Examination Report* (other information) which consists of the Fiscal Schedules and Analysis and Analysis of Operations report components as listed in the Table of Contents. The other information comprises disclosures which must be presented by management in accordance with *Report Components* memorandum published by the Auditor General of the State of Illinois, but does not include our *Independent Accountant’s Report on State Compliance and on Internal Control over Compliance* found in the separate *State Compliance Examination Report* included within this document. Our opinion on the University’s State compliance and internal control over compliance does not cover this other information, and we do not express an opinion or any form of assurance thereon.

In connection with our examination of the University, our responsibility is to read the other information and consider whether:

- 1) a material inconsistency exists between the other information and our knowledge and facts of the University we obtained as part of the University’s State compliance examination;
- 2) the other information appears to have been omitted; or,
- 3) the other information appears to be materially misstated.

If, based on the work performed, we concluded an omission or uncorrected material misstatement of the other information exists, we are required to describe it in this report.

SIGNED ORIGINAL ON FILE

Portage, MI
June 29, 2022

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
For the Fifteen Months Ended September 30, 2021

Public Act PA 101-0637 FISCAL YEAR 2021	Expenditure Authority (Net of Transfers)	Expenditures Through June 30, 2021	Lapse Period Expenditures July 1 to September 30, 2021	Total Expenditures 15 Months Ended September 30, 2021	Balances Reappropriated July 1, 2021	Balances Lapsed September 30, 2021
APPROPRIATED FUND(S)						
General Revenue Fund - 001						
	National Corn-to-Ethanol Research Center and Ethanol Research Grants	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -	\$ -
	Daily Egyptian Newspaper	62,800		62,800		
	Subtotal, Fund 001	\$ 1,062,800	\$ -	\$ 1,062,800	\$ -	\$ -
Education Assistance Fund - 007						
	Operational Expenses	\$ 191,491,000	\$ -	\$ 191,491,000	\$ -	\$ -
	SimmonsCooper Cancer Center	1,076,800		1,076,800		
	Subtotal, Fund 007	\$ 192,567,800	\$ -	\$ 192,567,800	\$ -	\$ -
General Professions Dedicated Fund - 022						
	For all costs associated with the Edwardsville campus pharmacy education or training program	\$ 1,250,000	\$ -	\$ 1,250,000	\$ -	\$ -
	Subtotal, Fund 022	\$ 1,250,000	\$ -	\$ 1,250,000	\$ -	\$ -
State College & University Trust Fund - 417						
	Scholarship Grant Awards	\$ 17,000	\$ -	\$ 17,000	\$ -	\$ -
	Subtotal, Fund 417	\$ 17,000	\$ -	\$ 17,000	\$ -	\$ -
GRAND TOTAL - ALL FUNDS						
		\$ 194,897,600	\$ -	\$ 194,897,600	\$ -	\$ -

Note 1: Expenditure authority, appropriations, expenditures, reappropriations, and lapsed balances were obtained from the University's records and have been reconciled to the State Comptroller's records as of September 30, 2021.

Note 2: Expenditure amounts are vouchers approved for payment by the University and submitted to the State Comptroller for payment to the vendor.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES**
For the Years Ended June 30, 2021 and 2020

	2021	2020
<u>APPROPRIATED FUNDS(S)</u>		
General Revenue Fund - 001		
Expenditure Authority	\$ 1,062,800	\$ 1,062,800
Expenditures:		
National Corn-to-Ethanol Research Center and Ethanol Research Grants	\$ 1,000,000	\$ 1,000,000
Daily Egyptian Newspaper	62,800	62,800
Total Expenditures	\$ 1,062,800	\$ 1,062,800
Balances Lapsed	\$ -	\$ -
Education Assistance Fund - 007		
Expenditure Authority	\$ 192,567,800	\$ 192,567,800
Expenditures:		
Operational Expenses	\$ 191,491,000	\$ 191,491,000
SimmonsCooper Cancer Center	1,076,800	1,076,800
Total Expenditures	\$ 192,567,800	\$ 192,567,800
Balances Lapsed	\$ -	\$ -
General Professions Dedicated Fund - 022		
Expenditure Authority	\$ 1,250,000	\$ 1,250,000
Expenditures:		
For all costs associated with the Edwardsville campus pharmacy education or training program	\$ 1,250,000	\$ 1,250,000
Total Expenditures	\$ 1,250,000	\$ 1,250,000
Balances Lapsed	\$ -	\$ -
State College & University Trust Fund - 417		
Expenditure Authority	\$ 17,000	\$ 19,000
Expenditures: Scholarship Grant Awards	\$ 17,000	\$ 19,000
Total Expenditures	\$ 17,000	\$ 19,000
Balances Lapsed	\$ -	\$ -
GRAND TOTAL - ALL FUNDS	\$ 194,897,600	\$ 194,899,600

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the University's records and have been reconciled to the State Comptroller's records as of September 30, 2021 and 2020.

Note 2: Expenditure amounts are vouchers approved for payment by the University and submitted to the State Comptroller for payment to the vendor.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
COMPARATIVE SCHEDULE OF NET EXPENDITURES BY MAJOR ACTIVITY
For the Fiscal Years Ended June 30, 2021 and 2020

(IN THOUSANDS)

<u>EXPENDITURE STATISTICS</u>	<u>2021</u>	<u>2020</u>
All State Treasury Funds		
Total Operations Expenditures:	\$ 194,881	\$ 194,881
Percentage of Total Expenditures	99.99%	99.99%
Personal Services	\$ 175,599	\$ 177,717
Other Payroll Costs	8,769	6,000
All Other Operating Expenditures	10,513	11,164
Total Awards and Grants Expenditures:	\$ 17	\$ 19
Percentage of Total Expenditures	0.01%	0.01%
Total Debt Service Expenditures:	\$ -	\$ -
Percentage of Total Expenditures	0%	0%
Total Highway/Waterway Construction Expenditures:	\$ -	\$ -
Percentage of Total Expenditures	0%	0%
Total Permanent Improvements Expenditures:	\$ -	\$ -
Percentage of Total Expenditures	0%	0%
Total Refund Expenditures:	\$ -	\$ -
Percentage of Total Expenditures	0%	0%
GRAND TOTAL - ALL EXPENDITURES	<u>\$ 194,898</u>	<u>\$ 194,900</u>

Note 1: Expenditures were obtained from the University's records and have been reconciled to the State Comptroller's records as of September 30, 2021 and 2020.

Note 2: Expenditure amounts are vouchers approved for payment by the University and submitted to the State Comptroller for payment to the vendor.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF CHANGES IN PROPERTY
For the Year Ended June 30, 2021

	Beginning Balance	Additions	Deletions	Net Transfers	Ending Balance
Property:					
Land and Land Improvements	\$ 77,777,072	\$ 530,521	\$ 260,056	\$ -	\$ 78,047,537
Site improvements	38,384,087	-	-	488,219	38,872,306
Buildings and Building Improvements	1,401,714,161	19,568,539	782,153	3,426,220	1,423,926,767
Equipment	495,937,216	15,573,823	142,324,969	25,634	369,211,704
Other	-	-	-	-	-
Total	<u>\$ 2,013,812,536</u>	<u>\$ 35,672,883</u>	<u>\$ 143,367,178</u>	<u>\$ 3,940,073</u>	<u>\$ 1,910,058,314</u>
Capital Leases:					
Buildings and Building Improvements	\$ 1,671,969	-	\$ 1,671,969	\$ -	-
Equipment	1,800,694	526,771	220,165	(25,634)	2,081,666
Total	<u>\$ 3,472,663</u>	<u>\$ 526,771</u>	<u>\$ 1,892,134</u>	<u>\$ (25,634)</u>	<u>\$ 2,081,666</u>
Construction in Progress					
Construction in Progress	\$ 27,835,196	\$ 11,677,537	\$ 16,610,874	\$ (1,543,394)	\$ 21,358,465
Total	<u>\$ 27,835,196</u>	<u>\$ 11,677,537</u>	<u>\$ 16,610,874</u>	<u>\$ (1,543,394)</u>	<u>\$ 21,358,465</u>

Note 1: These balances were obtained from the University's records and have been reconciled to the University's quarterly Agency Report of State Property reports submitted to the Office of State Comptroller for the year ended June 30, 2021.

Note 2: This schedule was prepared from State property records as required by the Illinois Administrative Code (Code) and the Statewide Accounting Management System (SAMS). The capitalization policy required by the Code and SAMS is different from the capitalization policy established by the Office of the State Comptroller for financial reporting in accordance with generally accepted accounting principles (GAAP).

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
ANALYSIS OF SIGNIFICANT VARIATIONS IN ACCOUNT BALANCES
For the Year Ended June 30, 2021

(UNAUDITED)

Fiscal Year 2021 Compared to Fiscal Year 2020

The University's Fiscal Year 2021 Statement of Net Position and Statement of Revenue, Expenses, and Changes in Net Position can be found on pages 17 and 19, respectively, within its released Fiscal Year 2021 financial audit report. Additionally, the University's Fiscal Year 2020 Statement of Net Position and Statement of Revenue, Expenses, and Changes in Net Position can be found on pages 17 and 19, respectively, within its previously released Fiscal Year 2020 financial audit report.

Statement of Net Position

Cash and Investments

The overall increase in cash and investments of \$32 million was directly related to more timely reimbursements received from the State of Illinois for state-funded payroll and departmental charges.

Reimbursement Due from State Treasurer

The decrease of \$34 million was directly related to the University receiving reimbursements from the Illinois Comptroller's Office for state-funded payroll and departmental charges more timely during Fiscal Year 2021.

Liability for OPEB

The University's allocated portion of the State of Illinois' overall OPEB Liability decreased \$26 million.

Deferred Inflows of Resources

The decrease of \$23 million is primarily related to the deferred inflows of resources associated with Other Post-Employment Benefits (OPEB) reported to the University by the Illinois Comptroller's Office.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
ANALYSIS OF SIGNIFICANT VARIATIONS IN ACCOUNT BALANCES
(CONTINUED)
For the Year Ended June 30, 2021

(UNAUDITED)

Statement of Revenue, Expenses, and Changes in Net Position

Funded Debt Enterprises Revenue

The decrease of \$7.5 million can be attributed to the COVID-19 pandemic. Until May 2021, there was virtually no student presence on campus. Therefore, auxiliary departments primarily funded by student activities experienced decreased revenues.

Operating Expenses

The increase of \$209 million in operating expenses related to instruction, research, public service, academic support, student services, institutional support and operation and maintenance is primarily attributed to allocated expenses related to fringe benefits. The University's portion of the State of Illinois' expenses for retirement and health insurance increased \$190 million in 2021. Expenses related to Higher Education Emergency Relief Funds (HEERF) also increased \$14 million from 2020.

Investment Income

The \$8 million decrease can be attributed to the difference in the investment market between 2021 and 2020.

Grants and Contracts Non-Operating Revenues

The \$14 million increase is related to additional Higher Education Emergency Relief Funds (HEERF) received by the University in response to COVID-19.

Special Funding Situation for Fringe Benefits

The \$169 million increase is primarily related to benefits provided by the State of Illinois Central Management Services for health, dental and life insurance.

Benefit Payments on Behalf of the University

The increase of \$21 million is related to the University's share of Central Management Services' expenditures for health, dental, and life insurance benefits for current University employees.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF SOURCES AND APPLICATIONS
INDIRECT COST REIMBURSEMENTS
For the Year Ended June 30, 2021

	<u>Carbondale</u>	<u>Edwardsville</u>	<u>Total</u>
Sources:			
Transfers of indirect cost reimbursements from restricted grants and contracts	\$ 5,461,018	\$ 1,826,794	\$ 7,287,812
Physicians and Surgeons, Inc. - Contributions toward university overhead and academic development	47,466,790	-	47,466,790
Contributions, investment income and other	667,565	104,368	771,933
	<u>53,595,373</u>	<u>1,931,162</u>	<u>55,526,535</u>
Total sources			
Applications:			
Organized research activities	2,165,215	194,481	2,359,696
Instructional activities	20,197	309,388	329,585
Operation and maintenance of physical plant	439,380	-	439,380
Institutional support	442,025	1,396,256	1,838,281
Academic support activities	811,863	73,638	885,501
Student Services	337,619	21,762	359,381
Public service activities	36,390,381	372,986	36,763,367
S.M. local resources	10,593,799	-	10,593,799
Transfers out	-	-	-
	<u>51,200,479</u>	<u>2,368,511</u>	<u>53,568,990</u>
Total applications			
Excess/(Shortage) of sources over applications	2,394,894	(437,349)	1,957,545
Fund balance, July 1, 2020	<u>(1,031,704)</u>	<u>1,826,830</u>	<u>795,126</u>
Fund balance, June 30, 2021	<u>\$ 1,363,190</u>	<u>\$ 1,389,481</u>	<u>\$ 2,752,671</u>

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF SOURCES AND APPLICATIONS
INDIRECT COST REIMBURSEMENTS (CONTINUED)
For the Year Ended June 30, 2021

The indirect costs incurred in relation to grants and contracts are reimbursed by a portion of such grants and contracts received from governmental agencies and private sources. The indirect costs incurred, and the subsequent reimbursements of such costs are accounted for in the University's general ledger as current unrestricted general funds. The reimbursement funds are needed for the following purposes:

- To provide monies for the prefunding of grants and contracts (i.e. expenditures made before grant monies are received);
- To fund central research administrative costs and research-related indirect costs; and
- To fund facility development programs and activities relative to obtaining new contracts.

The University uses its authority the State Finance Act (30 ILCS 105/6a-2) for retaining and expending indirect costs reimbursement funds on a local basis.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
**AUXILIARY FACILITIES, ACTIVITIES,
AND ACCOUNTING ENTITIES**
For the Year Ended June 30, 2021

The individual entities of the University are described as follows:

CARBONDALE:

AUXILIARY ENTERPRISES:

Auxiliary Enterprises (Revenue Bond) – The accounts in this entity are used for the administration and operation of the Southern Illinois University Housing and Auxiliary Facilities System. System facility acquisitions and improvements were financed with proceeds from the sale of revenue bonds. Facilities include the Student Center, Student Recreation Facility, University Housing, Child Care Center, and Student Health Program.

Auxiliary enterprises (revenue bond) primarily receive revenues from student fees, room and board, revenue bond fees, merchandise and food sales, and investment income.

Auxiliary Enterprises (Other) – The accounts in this entity include Evergreen Terrace, parking operations, and other auxiliary activities that are not included in revenue bond operations.

Auxiliary enterprises (other) primarily receive revenues from housing rentals, the sale of parking permits, parking violation fines, and investment income.

ACTIVITIES:

Service Departments – Activities for the operation, control, and distribution of costs associated with services provided on a campus-wide basis, primarily to University departments, define the purpose of these entity accounts. Examples include physical plant, printing, travel service, research shops, and other service departments where such activities are directly related to instruction, research, or public service.

Service department entity accounts receive revenues from services performed and goods provided to University departments.

Clinical Support – The accounts in this entity are used for the administration and operation of clinic and patient service facilities at the School of Medicine in Springfield.

Clinical support entity accounts primarily receive revenues from patient service fees and hospital affiliation services.

Public Service and Academic Support Activities – The accounts in this entity are used to record the activities in direct support of the primary academic and service mission of the University. Such activities include continuing education, Touch of Nature, broadcasting service, the SIU Press, research support, and other activities related to the administration of the various departments and colleges.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
**AUXILIARY FACILITIES, ACTIVITIES,
AND ACCOUNTING ENTITIES (CONTINUED)**
For the Year Ended June 30, 2021

The accounts in this entity receive revenues from operations, including sales of books, fees paid by program participants, farm sales, investment income, and other sources.

Student Programs and Services – The administration and operation of student activities and programs funded by student fees are included in this entity. Included are housing and recreational activities, student organizations, counseling services, and other programs and services operated primarily for students.

Student programs and services entity accounts receive revenues from student activity and campus housing activity fees, ticket sales, investment income, and other sources.

Administration– The accounts in this entity are used to record the administrative and operational activities of financial and other administrative offices. These include the bursar, purchasing, human resources, information technology, and the activities of operations providing services to students, faculty and staff which are not directly related to instruction and research.

The accounts in this entity receive revenues from operations and investment income.

EDWARDSVILLE:

AUXILIARY ENTERPRISES:

Auxiliary Enterprises (Revenue Bond) – The accounts in this entity are used for the administration and operation of the Southern Illinois University Housing and Auxiliary Facilities System. System facility acquisitions and improvements were financed with proceeds from the sale of revenue bonds. Facilities include the University Center, Student Fitness Center, University Housing, and Traffic and Parking.

Auxiliary enterprises (revenue bond) receive revenues from student fees, room and board, revenue bond fees, merchandise and food sales, parking decal sales, and other sources.

ACTIVITIES:

Academic Affairs – This entity includes accounts that are used to record extracurricular and scholarly activities generally supportive of instruction, including those for which no academic credit is earned, and research. Examples include accounts related to the College of Arts and Sciences and to continuing education.

The accounts in this entity receive revenues from the sale of books and other instructional materials, dental clinic fees, conference fees, and other sources.

Student Fees – The administration and operation of student activities and programs funded by student fees are accounted for in this entity. Included are various housing, athletic and recreation activities and textbook rentals.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
**AUXILIARY FACILITIES, ACTIVITIES,
AND ACCOUNTING ENTITIES (CONTINUED)**
For the Year Ended June 30, 2021

Student fees accounts primarily receive revenue from student activity fees and textbook sales and rental fees.

Administrative Services – The accounts in this entity provide services to students and to other university departments. Included are various bursar services, printing and graphic services, telephone services, and facilities management services.

The accounts in this entity receive revenues from services performed and goods provided to University departments.

Service Departments – Activities for the operation, control, and distribution of costs associated with services provided on a campus-wide basis, primarily to University departments, define the purpose of these entity accounts. Examples include Facilities Management, ITS Leasing, Postal Services and other service departments where such activities are directly related to instruction, research, or public service. Service department entity accounts receive revenues from services provided to University departments.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
COMPARATIVE SCHEDULE OF INCOME FUND REVENUES AND EXPENDITURES

For the Years Ended June 30, 2021 and 2020

	June 30, 2021		June 30, 2020			
	Carbondale	Edwardsville	Total	Carbondale	Edwardsville	Total
REVENUES:						
Student tuition and fees	\$ 87,593,684	(1) \$ 95,664,369	(2) \$ 183,258,053	\$ 94,386,639	(1) \$ 95,693,002	(2) \$ 190,079,641
Sales and services	343,118	28,483	371,601	1,052,582	26,033	1,078,615
Investment income	158,978	(163,196)	(4,218)	265,529	3,853,495	4,119,024
Excess funds transfer	-	526,277	526,277	-	193,483	193,483
Other	-	1,521	1,521	-	1,677	1,677
Total revenues	<u>88,095,780</u>	<u>96,057,454</u>	<u>184,153,234</u>	<u>95,704,750</u>	<u>99,767,690</u>	<u>195,472,440</u>
EXPENDITURES:						
Personal services	42,826,140	65,963,884	108,790,024	41,559,274	68,515,672	110,074,946
Group insurance	(2,137,909)	-	(2,137,909)	905,755	-	905,755
Travel	81,343	21,814	103,157	687,674	368,647	1,056,321
Equipment	2,662,807	2,920,104	5,582,911	2,667,275	3,017,385	5,684,660
Commodities	2,561,027	1,404,079	3,965,106	1,857,218	1,763,992	3,621,210
Contractual services	20,785,616	16,444,695	37,230,311	18,064,477	17,190,142	35,254,619
Operation of automotive equipment	82,165	185,962	268,127	(27,601)	270,544	242,943
Telecommunications	610,871	1,023,121	1,633,992	682,301	1,061,979	1,744,280
Awards and grants	16,369,374	19,882,510	36,251,884	16,254,870	18,492,762	34,747,632
Social security	613,227	1,856,919	2,470,146	668,718	1,831,365	2,500,083
Permanent improvements	83,710	26,776	110,486	10,792	12,507	23,299
Scholarships, fellowships and waivers	1,847,635	(7,807,523)	(5,959,888)	-	(9,298,587)	(9,298,587)
Bad debt expense	(20,059)	326,811	306,752	4,824,348	379,761	5,204,109
Unemployment compensation	-	94,732	94,732	493,968	37,868	531,836
Transfers	(4,010,793)	212,636	(3,798,157)	(744,942)	2,221,473	1,476,531
Total expenditures	<u>82,355,154</u>	<u>102,556,520</u>	<u>184,911,674</u>	<u>87,904,127</u>	<u>105,865,510</u>	<u>193,769,637</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 5,740,626</u>	<u>\$ (6,499,066)</u>	<u>\$ (758,440)</u>	<u>\$ 7,800,623</u>	<u>\$ (6,097,820)</u>	<u>\$ 1,702,803</u>

(1) Includes tuition waivers equal to scholarships, fellowships, and waiver expense and net of scholarship allowances of \$31,559,003 and \$30,244,919 for the years ended June 30, 2021 and 2020, respectively, at the Carbondale campus.

(2) Includes tuition waivers equal to scholarships, fellowships, and waiver expense and net of scholarship allowances of \$17,529,197 and \$19,547,802 for the years ended June 30, 2021 and 2020, respectively, at the Edwardsville campus.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

**SOUTHERN ILLINOIS UNIVERSITY
CARBONDALE**
A Component Unit of the State of Illinois
LOCAL FUNDS, SERVICE DEPARTMENTS, AND AUXILIARY FACILITIES
STATEMENT OF NET POSITION
For the Year Ended June 30, 2021

	LOCAL FUNDS					AUXILIARY FACILITIES		
	Public Service & Academic Support Activities	Clinical Support	Student Programs & Services	Administration	Service Departments	Auxiliary Enterprises Other	Auxiliary Enterprises	Revenue Bond
	\$ 9,880,967	\$ 32,034,448	\$ (45,454,626)	\$ (708,794)	\$ 15,638,794	\$ 3,432,142	\$ -	\$ -
Cash and cash equivalents	-	-	-	-	-	-	18,171,583	-
Cash and cash equivalents, restricted	-	-	-	-	-	-	-	-
Short-term investments	-	-	-	-	-	-	2,444,859	-
Short-term investments, restricted	-	-	-	-	-	-	-	-
Reimbursement due from State Treasurer	-	-	-	-	358,532	-	-	-
Accounts receivable, net	902,485	7,647,137	717,517	1,557	318,158	33,281	3,185,230	-
Notes receivable, net	-	100,000	-	-	-	-	-	-
Accrued interest receivable	-	-	-	-	-	-	44,736	-
Due from related organizations	923	39,986	-	-	37,213	-	-	-
Inventories	658,268	-	-	-	1,966,948	27	184,344	-
Prepaid expenses and other assets	421,283	337,888	1,572,495	326,988	4,222,527	953,381	156,656	-
Total Current Assets	11,863,926	40,159,459	(43,164,614)	(380,249)	22,542,172	4,418,831	24,187,408	-
Noncurrent Assets:								
Long-term investments	44,300	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	1,575,127	-
Prepaid expenses and other assets	-	-	-	-	-	-	572,312	-
Capital assets, net	-	-	-	-	-	-	170,405,040	-
Total Noncurrent Assets	153,850,760	38,322,749	33,846,166	14,449,597	17,167,341	1,944,597	172,552,479	-
Deferred outflows of resources	230,119	2,452,025	193,529	70,273	761,373	62,004	2,658,412	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 165,989,105	\$ 80,934,233	\$ (9,124,919)	\$ 14,139,621	\$ 40,470,886	\$ 6,425,432	\$ 199,398,299	\$ -

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Current Assets:

Cash and cash equivalents
Cash and cash equivalents, restricted
Short-term investments
Short-term investments, restricted
Reimbursement due from State Treasurer
Accounts receivable, net
Notes receivable, net
Accrued interest receivable
Due from related organizations
Inventories
Prepaid expenses and other assets

Noncurrent Assets:

Long-term investments
Long-term investments, restricted
Prepaid expenses and other assets
Capital assets, net

Deferred outflows of resources

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

**SOUTHERN ILLINOIS UNIVERSITY
CARBONDALE**
A Component Unit of the State of Illinois
LOCAL FUNDS, SERVICE DEPARTMENTS, AND AUXILIARY FACILITIES
STATEMENT OF NET POSITION (CONTINUED)
For the Year Ended June 30, 2021

	LOCAL FUNDS					AUXILIARY FACILITIES		
	Public Service & Academic Support Activities	Clinical Support	Student Programs & Services	Administration	Service Departments	Auxiliary Enterprises Other	Auxiliary Enterprises Revenue Bond	
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES								
Current Liabilities:								
Accounts payable	\$ 354,829	\$ 1,097,663	\$ 369,373	\$ 230,172	\$ 2,672,097	\$ 2,507	\$ 2,082,801	
Accrued interest payable	-	-	-	-	-	-	646,357	
Accrued payroll	98,511	347,026	41,573	2,059	676,651	34,562	490,120	
Accrued compensated absences	45,488	998,658	39,153	24,972	83,541	22,857	335,005	
Revenue bonds payable	-	-	-	-	-	-	7,861,462	
Liability for OPEB	60,981	649,776	51,284	18,622	201,760	16,431	463,802	
Deposits held for University related organizations	-	-	-	-	-	-	-	
Unearned revenue	477,556	17,072	424,916	-	-	7,680	644,624	
Due to related organizations	-	76,484	-	-	-	-	-	
Total Current Liabilities	<u>1,037,365</u>	<u>3,186,679</u>	<u>926,299</u>	<u>275,825</u>	<u>3,634,049</u>	<u>84,037</u>	<u>12,524,171</u>	
Noncurrent Liabilities:								
Accrued compensated absences	455,429	9,998,564	392,004	250,022	836,408	228,848	3,354,062	
Revenue bonds payable	-	-	-	-	-	-	77,422,217	
Liability for OPEB	1,971,706	21,009,412	1,658,193	602,111	6,523,585	531,265	17,374,741	
Other accrued liabilities	1,396,435	161,698	331,114	115,464	577,891	156,535	-	
Total Noncurrent Liabilities	<u>3,823,570</u>	<u>31,169,674</u>	<u>2,381,311</u>	<u>967,597</u>	<u>7,937,884</u>	<u>916,648</u>	<u>98,151,020</u>	
Deferred inflows of resources related to OPEB	<u>490,828</u>	<u>5,229,990</u>	<u>412,783</u>	<u>149,887</u>	<u>1,623,952</u>	<u>132,251</u>	<u>4,289,048</u>	
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>5,351,763</u>	<u>39,586,343</u>	<u>3,720,393</u>	<u>1,393,309</u>	<u>13,195,885</u>	<u>1,132,936</u>	<u>114,964,239</u>	
NET POSITION								
Net investment in capital assets	153,850,760	38,322,749	33,846,166	14,449,597	17,167,341	1,944,597	86,431,294	
Restricted	-	-	-	-	-	-	8,733,407	
Unrestricted (Deficit)	6,786,582	3,025,141	(46,691,478)	(1,703,285)	10,107,660	3,347,899	(10,730,641)	
TOTAL NET POSITION	<u>\$ 160,637,342</u>	<u>\$ 41,347,890</u>	<u>\$ (12,845,312)</u>	<u>\$ 12,746,312</u>	<u>\$ 27,275,001</u>	<u>\$ 5,292,496</u>	<u>\$ 84,434,060</u>	

As further described in the Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report, the accountants do not express an opinion or any form of assurance on this report component.

**SOUTHERN ILLINOIS UNIVERSITY
CARBONDALE**

A Component Unit of the State of Illinois

**LOCAL FUNDS, SERVICE DEPARTMENTS, AND AUXILIARY FACILITIES
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

For the Year Ended June 30, 2021

	LOCAL FUNDS					AUXILIARY FACILITIES		
	Public Service & Academic Support Activities	Clinical Support	Student Programs & Services	Administration	Service Departments	Auxiliary Enterprises Other	Auxiliary Enterprises	Revenue Bond
REVENUES								
Operating Revenues:								
Services	\$ 45,813	\$ 2,512,626	\$ 44,686	\$ 68,907	\$ 65,232,939	\$ 1,978	\$ 5,638,181	
Sales	1,348,094	57,372	1,743,387	278,284	10,831	988,961	1,409,449	
Fees	9,267,294	108,872,696	21,340,760	10,493	1,747,642	248,693	8,682,860	
Rentals	281,872	-	29,386	-	263,472	106,623	18,398,592	
Deposits	855,947	27,663	234,962	299,642	56,485	8,749	-	
Medical facilities system	-	-	-	-	-	-	41,855,157	
Other operating revenue	1,634,418	9,593,713	6,047,711	135,513	351,825	3,835,465	-	
Total Operating Revenues	<u>13,433,438</u>	<u>121,064,070</u>	<u>29,440,892</u>	<u>792,839</u>	<u>67,663,194</u>	<u>5,190,469</u>	<u>75,984,239</u>	
EXPENSES								
Operating Expenses:								
Salaries and wages	8,840,850	88,017,439	7,329,389	2,524,131	27,554,593	2,274,817	83,828,514	
Travel	40,888	62,107	12,082	1,402	11,932	-	-	
Equipment	3,046,216	605,097	156,245	18,774	1,012,481	50,873	-	
Commodities	903,533	3,332,894	1,385,183	403,485	3,820,452	27,447	-	
Contractual services	3,675,433	17,459,369	19,189,609	832,202	27,815,136	3,012,613	27,966,255	
Operation of auto	118,252	5,169	23,545	-	1,642,691	15,700	-	
Telecommunication	171,675	367,272	157,874	24,444	1,751,328	198,825	-	
Fringe benefits	8,703,271	94,138,021	7,274,879	2,622,624	29,271,413	2,467,437	-	
Awards & grants	170,335	190,316	3,227,490	-	1,980	-	-	
Permanent improvements	12,409	25,190	140,818	-	1,972,109	120	-	
Merchandise for resale	-	-	-	-	1,686,732	208	1,576,731	
Bad debt expense	(59,721)	(2,107)	(46,978)	522	(39)	(7,063)	-	
Depreciation	9,553,189	3,508,145	1,464,156	994,894	2,000,713	183,537	9,189,587	
Total Operating Expenses	<u>35,176,330</u>	<u>207,708,912</u>	<u>40,314,292</u>	<u>7,422,478</u>	<u>98,541,521</u>	<u>8,224,514</u>	<u>122,561,087</u>	
Operating Loss	<u>\$ (21,742,892)</u>	<u>\$ (86,644,842)</u>	<u>\$ (10,873,400)</u>	<u>\$ (6,629,639)</u>	<u>\$ (30,878,327)</u>	<u>\$ (3,034,045)</u>	<u>\$ (46,576,848)</u>	

As further described in the Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report, the accountants do not express an opinion or any form of assurance on this report component.

**SOUTHERN ILLINOIS UNIVERSITY
CARBONDALE**

A Component Unit of the State of Illinois

**LOCAL FUNDS, SERVICE DEPARTMENTS, AND AUXILIARY FACILITIES
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)**

For the Year Ended June 30, 2021

	LOCAL FUNDS					AUXILIARY FACILITIES	
	Public Service & Academic Support Activities	Clinical Support	Student Programs & Services	Administration	Service Departments	Auxiliary Enterprises Other	Auxiliary Enterprises Revenue Bond
NONOPERATING REVENUES (EXPENSES)							
Investment income	\$ 214,663	\$ 147,600	\$ 166,312	\$ 260,348	\$ 92,005	\$ 32,483	\$ 146,839
Gifts and contributions	3,277,673	1,249,404	1,531,908	1,502,224	-	348	1,003,238
Special funding situation for fringe benefits	5,029,482	53,591,368	4,229,763	1,535,882	16,640,533	1,355,166	33,544,216
Benefit payments on behalf of the Universit	1,257,370	13,397,842	1,057,441	383,970	4,160,133	338,792	8,491,143
Interest on capital asset related debt	-	-	-	-	-	-	(4,265,170)
Other nonoperating revenues (expenses)	(5,235,017)	2,341,787	(6,025,332)	239,813	1,120,175	(24,450)	4,473,952
Net Nonoperating Revenues (Expenses)	<u>4,544,171</u>	<u>70,728,001</u>	<u>960,092</u>	<u>3,922,237</u>	<u>22,012,846</u>	<u>1,702,339</u>	<u>43,394,218</u>
Decrease in Net Position	(17,198,721)	(15,916,841)	(9,913,308)	(2,707,402)	(8,865,481)	(1,331,706)	(3,182,630)
NET POSITION - beginning of year	177,836,063	57,264,730	(2,932,004)	15,453,714	36,140,481	6,624,203	87,616,690
NET POSITION - end of year	<u>\$ 160,637,342</u>	<u>\$ 41,347,889</u>	<u>\$ (12,845,312)</u>	<u>\$ 12,746,312</u>	<u>\$ 27,275,000</u>	<u>\$ 5,292,497</u>	<u>\$ 84,434,060</u>

As further described in the Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report, the accountants do not express an opinion or any form of assurance on this report component.

**SOUTHERN ILLINOIS UNIVERSITY
EDWARDSVILLE**
A Component Unit of the State of Illinois
LOCAL FUNDS, SERVICE DEPARTMENTS, AND AUXILIARY FACILITIES
STATEMENT OF NET POSITION
For the Year Ended June 30, 2021

	LOCAL FUNDS				
	Academic Affairs Activities	Student Fee Activities	Administrative Services Activities	Service Departments	Auxiliary Facilities
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Current Assets:					
Cash And Cash Equivalents	\$ 31,797,860	\$ 7,838,096	\$ 9,867,250	\$ 3,164,616	\$ -
Cash And Cash Equivalents, restricted	-	-	-	-	17,015,649
Short-Term Investments	-	112,728	28,320	-	209,224
Accounts Receivable, net	551,212	651,597	836,936	92	825,110
Inventories	1,030,327	3,102,915	-	129,683	516,940
Prepaid Expenses	152,319	34,242	203,182	188,995	104,187
Due From Other	-	27,912	-	3,081,653	-
Due From-Inter Campus	-	-	-	62,648	-
Due From Related Organizations	729,139	-	-	-	-
Total Current Assets	34,260,857	11,767,490	10,935,688	6,627,687	18,671,110
Noncurrent Assets:					
Long-Term Investments	-	37,576	9,440	-	-
Capital assets, net	181,733,486	16,428,489	12,972,509	16,548,064	76,552,092
Total Noncurrent Assets	181,733,486	16,466,065	12,981,949	16,548,064	76,552,092
Deferred Outflows Of Resources	29,521	89,685	97,709	201,282	270,862
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 216,023,864	\$ 28,323,240	\$ 24,015,346	\$ 23,377,033	\$ 95,494,064

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

**SOUTHERN ILLINOIS UNIVERSITY
EDWARDSVILLE**
A Component Unit of the State of Illinois
LOCAL FUNDS, SERVICE DEPARTMENTS, AND AUXILIARY FACILITIES
STATEMENT OF NET POSITION (CONTINUED)
For the Year Ended June 30, 2021

	LOCAL FUNDS			
	Academic Affairs Activities	Student Fee Activities	Administrative Services Activities	Service Departments Auxiliary Facilities
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Current Liabilities:				
Accounts payable	\$ 1,542,210	\$ 259,570	\$ 564,821	\$ 1,438,798
Accrued payroll	(46,929)	59,208	14,623	780,319
Accrued compensated absences	45,256	70,052	19,979	119,950
Revenue bonds payable	-	-	-	-
Liability For OPEB	11,716	35,592	38,777	79,881
Unearned Revenue	415,724	802,992	719,058	-
Refundable Deposits	-	-	-	-
Due To Other	299,228	-	541,139	-
Due To Intercampus	20,165	24	-	-
Due To Related Organizations	32,309	-	-	-
Total Current Liabilities	2,319,679	1,227,438	1,898,397	2,418,948
Noncurrent Liabilities:				
Accrued compensated absences	366,165	566,789	161,650	970,506
Revenue bonds payable	-	-	-	-
Liability For OPEB	378,806	1,150,818	1,253,779	2,582,804
Other Accrued liabilities	-	-	-	-
Total Noncurrent Liabilities	744,971	1,717,607	1,415,429	3,553,310
Deferred inflows of resources related to OPEB	93,896	285,257	310,778	640,208
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	3,158,546	3,230,302	3,624,604	6,612,466
NET POSITION				
Net investment in capital assets	181,733,486	16,428,489	12,972,509	16,548,064
Restricted	-	-	-	-
Unrestricted (Deficit)	31,131,832	8,664,449	7,418,233	216,503
TOTAL NET POSITION	\$ 212,865,318	\$ 25,092,938	\$ 20,390,742	\$ 16,764,567
				\$ 9,171,516

As further described in the Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report, the accountants do not express an opinion or any form of assurance on this report component.

**SOUTHERN ILLINOIS UNIVERSITY
EDWARDSVILLE**

A Component Unit of the State of Illinois

**LOCAL FUNDS, SERVICE DEPARTMENTS, AND AUXILIARY FACILITIES
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

For the Year Ended June 30, 2021

	LOCAL FUNDS				
	Academic Affairs Activities	Student Fee Activities	Administrative Services Activities	Service Departments	Auxiliary Facilities
REVENUES					
Operating Revenues:					
Services	\$ 149,371	\$ 31,748	\$ 254,296	\$ 27,633,692	\$ 123,966
Sales	1,030,355	1,184,699	547,809	-	7,090,554
Fees	10,553,779	13,214,654	11,158,488	1,631,516	9,870,229
Rentals	159,004	15,892	399,038	777	15,425,326
Other operating income	3,388,395	(183,038)	204,994	35,735	-
Total Operating revenue	15,280,904	14,263,955	12,564,625	29,301,720	32,510,075
EXPENSES					
Operating Expenses:					
Salaries and wages	5,435,923	5,922,265	1,789,303	12,199,956	17,635,334
Travel	22,602	28,606	(8,832)	6,437	-
Equipment	1,461,200	120,056	237,544	1,533,541	-
Commodities	575,216	530,972	99,715	895,439	-
Contractual services	2,973,635	1,539,683	3,419,207	9,767,597	7,241,436
Operation of auto	5,529	2,491	53,616	492,131	-
Telecommunications	106,973	83,976	152,687	1,568,186	-
Fringe Benefits	1,844,140	5,602,518	6,103,763	12,573,846	-
Awards and grants	205,596	1,155,849	7,600	-	-
Merchandise for resale	-	-	-	-	2,539,100
Other	8,278,495	5,597,979	(7,299,931)	2,027,133	1,330,914
Depreciation	13,575,780	2,604,628	411,613	5,764,666	5,667,369
Total Operating Expenses	34,485,089	23,189,023	4,966,285	46,828,932	34,414,153
Operating Loss	\$ (19,204,185)	\$ (8,925,068)	\$ 7,598,340	\$ (17,527,212)	\$ (1,904,078)

As further described in the Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report, the accountants do not express an opinion or any form of assurance on this report component.

**SOUTHERN ILLINOIS UNIVERSITY
EDWARDSVILLE**

A Component Unit of the State of Illinois

**LOCAL FUNDS, SERVICE DEPARTMENTS, AND AUXILIARY FACILITIES
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (CONTINUED)**
For the Year Ended June 30, 2021

	LOCAL FUNDS				
	Academic Affairs Activities	Student Fee Activities	Administrative Services Activities	Service Departments	Auxiliary Facilities
NONOPERATING REVENUES (EXPENSES)					
Investment income	\$ 5,702	\$ (12,068)	\$ 84,272	\$ -	\$ (33,282)
Special funding situation for Fringes	1,073,279	3,260,634	3,552,356	7,317,908	5,569,903
Benefit payments on behalf on the University	315,964	959,902	1,045,782	2,154,327	2,680,225
Interest on capital asset related debt	-	-	-	-	-
Other nonoperating revenues (expenses)	5,571,475	914,425	805,389	(25,000)	5,668,784
Net Nonoperating Revenues (Expenses)	<u>6,966,420</u>	<u>5,122,893</u>	<u>5,487,799</u>	<u>9,447,235</u>	<u>13,885,630</u>
(Decrease) Increase in Net Position	(12,237,765)	(3,802,175)	13,086,139	(8,079,977)	11,981,552
NET POSITION - Beginning of Year	<u>225,103,083</u>	<u>28,895,113</u>	<u>7,304,603</u>	<u>24,844,544</u>	<u>(2,810,036)</u>
NET POSITION - End of Year	<u>\$ 212,865,318</u>	<u>\$ 25,092,938</u>	<u>\$ 20,390,742</u>	<u>\$ 16,764,567</u>	<u>\$ 9,171,516</u>

As further described in the Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report, the accountants do not express an opinion or any form of assurance on this report component.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
FUNCTIONS AND PLANNING
For the Year Ended June 30, 2021

University Functions and Planning Program

Southern Illinois University (SIU) is a comprehensive university with medical, dental, law, nursing and pharmacy schools, and with degree programs from the associate to the professional and doctoral levels. It primarily serves the citizens of Illinois, but its students come from all 50 states and many foreign countries. It is the only senior system of higher education serving the people of the southern half of the State of Illinois. It has two main campuses, Southern Illinois University Carbondale and Southern Illinois University Edwardsville. The University's President is Daniel F. Mahony.

The SIU System offers an extensive inventory of baccalaureate, graduate and professional degrees, research, public service and continuing education programs. Southern Illinois University is pledged: (1) to maintain the high quality of its programs of instruction, research, and public service; (2) to monitor judiciously the development of, and additions to, these programs; and, (3) to sustain, through these programs, its diverse and comprehensive educational contribution to the people of the region, state, and the nation.

Each campus has established planning procedures for developing new and expanded programs and associated budget requests. The formal planning document is the Resource Allocation Management Plan (RAMP) required by the Illinois Board of Higher Education (IBHE). After approval by the President and the SIU Board of Trustees, the Plan is transmitted to the IBHE for consideration and approval. The IBHE coordinates the Plan with the goals and objectives of other State universities, with the needs of Illinois citizens (as defined by the four goals of the Illinois Public Agenda), and with available resources. The Plan represents the formal long-term and short-term goals for the University. Included in the Plan are requests for substantial changes in academic programs and requests for capital and deferred maintenance funds, as well as funds for personnel and operating needs.

The IBHE has established an eight-year program review schedule whereby all academic programs are reviewed on a recurring cycle. Performance measures (i.e., number of graduates, credit hours generated, cost per credit hour and quality of instruction and research) are reviewed by the internal and external consultants and by the college deans. Specific recommendations are made for improvement, expansion or deletion of programs. Progress in implementing recommendations is monitored by the Office of Academic Affairs at both the campus and system levels and by the IBHE.

The campuses have also developed an evaluation process whereby research and public service centers and institutes are reviewed on a recurring eight-year cycle. Other non-academic areas (i.e., student services) either participate in specialized accreditation that is available through external agencies (e.g., childcare, student health center) or respond to specific IBHE-mandated "focus" reviews which are part of IBHE's evaluation process.

As further described in the Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report, the accountants do not express an opinion or any form of assurance on this report component.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
FUNCTIONS AND PLANNING (CONTINUED)
For the Year Ended June 30, 2021

University Functions and Planning Program (Continued)

The University has a budget and planning process that: (1) establishes University priorities and shifts resources to those priorities that advance the mission of the institution; (2) identifies resources to address unexpected expenses and emergencies to avoid major resource reallocations during the year; and, (3) builds a structure to identify resources for planned asset maintenance (facilities, equipment and professional development).

SIU has a deep commitment to excellence in teaching, scholarly creative activities, service and the achievement of these objectives while offering an affordable educational experience for all students.

As further described in the Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report, the accountants do not express an opinion or any form of assurance on this report component.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
FUNCTIONS AND PLANNING (CONTINUED)
For the Year Ended June 30, 2021

Carbondale

	Fiscal Year	
	2021	2020
Total Headcount Enrollment		
Full-time	8,675	9,377
Part-time	2,691	2,318
	11,366	11,695
Percentage of Full-Time Students	76.32%	80.18%
Average Full Time Equivalent	9,418	9,887
Associate Degrees Conferred	60	93
Baccalaureate Degrees Conferred	2,436	2,588
Post-Baccalaureate Degrees Conferred	6	3
Masters Degrees Conferred	671	762
Post-Masters Degrees Conferred		
Doctorate-Research Degrees Conferred	105	135
Doctorate-Professional Practice Degrees Conferred ¹	61	102
Doctorate-Other Degrees Conferred ²	69	68
Total Degrees Conferred	3,408	3,751

¹ - First-Professional Degree - Law

² - First-Professional Degree - Medical Education

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
FUNCTIONS AND PLANNING (CONTINUED)
For the Year Ended June 30, 2021

Edwardsville

	Fiscal Year	
	2021	2020
Total Headcount Enrollment		
Full-time	9,942	10,400
Part-time	2,918	2,661
	<u>12,860</u>	<u>13,061</u>
Percentage of Full-Time Students	77.31%	79.63%
Average Full Time Equivalent Students	10,376	10,704
Baccalaureate Degrees Conferred	2,267	2,558
Post-Baccalaureate Degrees Conferred ³	9	13
Masters Degrees Conferred	692	637
Post-Masters Degrees Conferred	27	40
Doctorate-Research Degrees Conferred	8	6
Doctorate-Professional Practice Degrees Conferred ¹	134	140
Doctorate-Other Degrees Conferred ²	69	67
Total Degrees Conferred	<u>3,206</u>	<u>3,461</u>

¹ - Dentistry and Pharmacy

² - Education and Nursing

³ - Also considered certificates

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
NUMBER OF EMPLOYEES
For the Fiscal Year Ended June 30,

	2021	2020
<u>AVERAGE FULL-TIME EMPLOYEES</u>		
By Function		
Carbondale		
Instruction	1,378	1,412
Research	265	248
Public Service	343	336
Academic Support	1,737	1,671
Student Services	255	281
Institutional Support	696	677
Operation and Maintenance of Plant	83	89
Auxiliary Activities	320	316
Sub-Total, Carbondale	5,077	5,030
Edwardsville		
Instruction	1,078	1,076
Research	46	56
Public Service	254	280
Academic Support	154	135
Student Services	269	272
Institutional Support	230	228
Operation and Maintenance of Plant	221	231
Auxiliary Activities	202	220
Sub-Total, Edwardsville	2,454	2,498
Total Full-Time Equivalent Employees	7,531	7,528

Note 1: This schedule presents the average number of employees, by function, at Southern Illinois University.

Note 2: Full-time equivalents were prepared in accordance with the State of Illinois, Board of Higher Education's methodology where (1) each employee with a full-time contract is counted as a full-time equivalent and (2) each part-time employee is multiplied by the number of months worked and then divided by 12 to derive their full-time equivalency.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
NUMBER OF EMPLOYEES (CONTINUED)
For the Fiscal Year Ended June 30,

	2021	2020
AVERAGE FULL-TIME EMPLOYEES		
By Type		
Carbondale		
Faculty	1,250	1,197
Academic Professionals	826	843
Support Staff	2,523	2,452
Other	478	538
Sub-Total, Carbondale	5,077	5,030
Edwardsville		
Faculty	816	806
Academic Professionals	377	394
Support Staff	1,035	1,057
Other	226	241
Sub-Total, Edwardsville	2,454	2,498
Total Full-Time Equivalent Employees	7,531	7,528

Note 1: This information presents the average number of employees, by type, at Southern Illinois University.

Note 2: The other category includes medical residents, research and teaching assistants, Federal Work Study students, and extra help staff.

Note 3: Full-time equivalents were prepared in accordance with the State of Illinois, Board of Higher Education's methodology where (1) each employee with a full-time contract is counted as a full-time equivalent and (2) each part-time employee is multiplied by the number of months worked and then divided by 12 to derive their full-time equivalency.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
COST STATISTICS
For the Fiscal Year Ended June 30,

	2021	2020
Appropriations Method		
Carbondale		
Total Costs	\$ 96,607,520	\$ 96,539,210
Full-Time Equivalent Students	9,121	9,596
Cost Per Full-Time Equivalent Student	<u>\$ 10,592</u>	<u>\$ 10,060</u>
Edwardsville		
Total Costs	\$ 44,576,343	\$ 44,743,583
Full-Time Equivalent Students	10,163	10,492
Cost Per Full-Time Equivalent Student	<u>\$ 4,386</u>	<u>\$ 4,265</u>
Instructional Expenses Method		
Carbondale		
Total Costs	\$ 194,677,365	\$ 168,529,200
Full-Time Equivalent Students	9,418	9,887
Cost Per Full-Time Equivalent Student	<u>\$ 20,671</u>	<u>\$ 17,046</u>
Edwardsville		
Total Costs	\$ 162,490,048	\$ 130,057,056
Full-Time Equivalent Students	10,376	10,704
Cost Per Full-Time Equivalent Student	<u>\$ 15,660</u>	<u>\$ 12,150</u>

Note 1: The total cost for the appropriations method is calculated by taking (1) the total State appropriated costs for all credit hours and instructional operating costs (except costs related to the College of Medicine and College of Dentistry), (2) less costs for public service, organized research, student financial aid, auxiliary enterprises, allocated by campus.

Note 2: The total cost for the instructional expenses method is total operating expenses related to instruction from Southern Illinois University's Statement of Revenues, Expenses, and Changes in Net Position, allocated by campus.

Note 3: Full-time equivalent students is calculated by taking (1) the total undergraduate student hours divided by 30 and adding (2) the total graduate and professional student hours divided by 24.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
DISCLOSURE OF EMERGENCY PURCHASES
For the Years Ended June 30, 2021 and 2020

Fiscal Year 2021

Southern Illinois University Carbondale had one emergency purchase during Fiscal Year 2021.

Southern Illinois University Edwardsville did not have any emergency purchases during Fiscal Year 2021.

Quick Purchase

The aircraft contract was a quick purchase as allowed under the emergency purchase authorization in the Illinois Procurement Code. SIUC needed aircraft to supplement their fleet of training aircraft and chose to purchase a used one. The quick purchase function is designed to identify items that are in limited supply in the marketplace and only available for a limited period of time. This is the case for the used aircraft. Sound business judgement mandated a purchase immediately to take advantage of the availability and price. Purchasing this aircraft for \$290,000 on the secondary market represents a savings of almost \$200,000 when compared to a comparably equipped new aircraft.

Fiscal Year 2020

Southern Illinois University Carbondale did not have any emergency purchases during Fiscal Year 2020.

Southern Illinois University Edwardsville had one emergency purchase during Fiscal Year 2020.

Quick Purchase

The bus contract was a quick purchase as allowed under the emergency purchase authorization in the Illinois Procurement Code. SIUE was in need of a passenger bus and chose to purchase a used bus from the resale market. The quick purchase function is designed to identify items that are in limited supply in the marketplace and only available for a limited period of time. This is the case for used passenger busses. This bus became available for sale for \$340,000 and SIUE chose to make the purchase to avoid the cost and delay of ordering the production and delivery of a new bus. This bus was approximately half the cost of a new bus.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
HOUSING BENEFITS
For the Year Ended June 30, 2021

Qualified Campus Lodging

From July 2020 to December 2020, the University provided temporary housing accommodations for the University President located at the Office of the President (Stone Center) on the Carbondale campus. All maintenance, repairs and utilities on the facility were paid for by the University. The value of the housing accommodations was calculated in accordance with 26 U.S. Code Section 119 (d) and is included in the President's taxable income.

Lodging Provided for the Convenience of the Employer

The University, as a condition of employment with the Community Directors, Hall Directors, and Resident Assistants assigned to each housing location, provides a room or small apartment within the location so they can immediately respond to emergencies occurring during the term. All maintenance and repairs to the apartment, except for intentional damage or gross negligence, is paid by the University, along with all utility costs. The University deemed these rooms and apartments for its residence directors as a fringe benefit excluded from taxable income.

Other Lodging

From January 2021 to June 2021, the University provided housing for the President in accordance with the President's contract. A portion of the rental and related fees for this facility were paid for by the University and the costs incurred are included in the President's taxable income.

The School of Medicine, as part of employment negotiations, may provide a housing allowance to an employee in order to allow the employee to begin employment prior to securing permanent housing arrangements. An agreed upon amount is determined as part of the hiring offer. The allowance is included in the employee's taxable income.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
ANALYSIS OF OVERTIME AND COMPENSATORY TIME
For the Fiscal Year Ended June 30,

	2021	2020
SOUTHERN ILLINOIS UNIVERSITY		
Carbondale		
Overtime Hours Paid	51,184	45,659
Compensatory Hours Granted	3,112	3,028
Total	54,296	48,687
Value of Overtime Hours Paid	\$ 1,956,948	\$ 1,805,424
Value of Compensatory Hours Granted	103,202	94,871
Total Costs	\$ 2,060,150	\$ 1,900,295
Edwardsville		
Overtime Hours Paid	19,016	24,578
Compensatory Hours Granted	770	1,132
Total	19,786	25,710
Value of Overtime Hours Paid	\$ 859,858	\$ 892,028
Value of Compensatory Hours Granted	21,620	33,354
Total Costs	\$ 881,478	\$ 925,382
GRAND TOTAL - ENTIRE UNIVERSITY SYSTEM		
Overtime Hours Paid	70,200	70,237
Compensatory Hours Granted	3,882	4,160
Total	74,082	74,397
Value of Overtime Hours Paid	\$ 2,816,806	\$ 2,697,452
Value of Compensatory Hours Granted	124,822	128,225
Total Costs	\$ 2,941,628	\$ 2,825,677

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
ASSAULTS ON STAFF
For the Fiscal Year Ended June 30

	2021	2020
<u>SOUTHERN ILLINOIS UNIVERSITY</u>		
Southern Region		
Carbondale	5	3
Edwardsville	0	1
Total	5	4
Central Region		
Springfield	0	0
Total	0	0

Note 1: The Southern Region includes Jackson and Madison counties.

Note 2: The Central Region includes Sangamon county.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
MAJOR CONSTRUCTION PROJECTS
For the Years Ended June 30, 2021 and 2020

Founders Hall- 21st Century Building Renovation

SIUE completed the construction work on the \$34 million project for Founders Hall (the first of 6 core campus buildings) renovations that included; replacement of the building's electrical, telecommunications, plumbing, window and mechanical systems. Fire alarm and fire protection systems were also replaced and upgraded, along with upgrades to the Life Safety Performance Level and storm shelters. Final contract payments are still pending for several contractors as boiler and HVAC systems are tested for seasonal functionality. Expectations are to make the final payments in FY22. The architects are working on the LEED certification application process.

School of Dental Medicine Advanced Care Clinic

SIUE began work on the \$11.5 million project by demolishing an existing old building, then began construction of a new graduate clinic for the dental students and area residents. The Advanced Care Clinic was built and equipped to serve a comprehensive range of patient dental needs through existing, expanded, and new post-doctoral programs. It will add general anesthesia capabilities through the construction of two medical operating suites and accompanying post-anesthetic recovery units. The Advance Care Clinic will also offer more comprehensive, predictable and safe treatment, particularly for children and patients with special dental needs. Construction is currently 95% complete. SDM occupancy is anticipated for early August, 2021 with final pay-outs to contractors expected to occur later into FY22. The architects will soon be working on the LEED certification application process.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
DISCLOSURE OF EMERGENCY PURCHASES
UNDER THE GUBERNATORIAL COVID-19 DISASTER PROCLAMATIONS
For the Years Ended June 30, 2021 and 2020

The Governor, in response to the COVID-19 pandemic, issued sequential Gubernatorial Disaster Proclamations from March 12, 2020, through June 30, 2020. These proclamations allowed Southern Illinois University to waive the requirements of the Illinois Procurement Code to the extent the requirement (1) would have, in any way, prevented, hindered, or delayed necessary action to cope with the COVID-19 pandemic and (2) was not required by federal law. The following procurements were all processed under this waiver granted by the Governor.

Fiscal Year 2021

Southern Illinois University did not have any emergency purchases related to the COVID-19 pandemic during Fiscal Year 2021.

Fiscal Year 2020

Supplemental Information Technology Staff - The Robert Half International Inc. emergency purchase began as a small purchase for supplemental IT staff at the Southern Illinois University Edwardsville (SIUE) campus as the Covid-19 pandemic emerged. This required IT remote deployment services to be purchased to allow SIUE staff to be able to work remotely. The initial purchase was for \$36,000. It was later increased to \$86,000 and ultimately determined that the final purchase amount would need to be \$107,005 to complete the services. This necessitated declaring the transaction an emergency given the final amount in excess of the bid limits.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SPECIAL DATA REQUIREMENTS FOR UNIVERSITY ENGAGEMENTS
For the Year Ended June 30, 2021

Purpose

In accordance with a July 25, 2000, memorandum from the Office of the Auditor General entitled *Matters Regarding University Audits*, certain supplemental data is required to be reported for University engagements. The table below cross references the requirements (indicated by number and letter paragraph references) to the University's financial audit and compliance examination reports for the year ended June 30, 2021, where such special data is found.

Compliance Findings

13(a) There were no violations of the compliance requirements of the *University Guidelines* identified during the financial audit and compliance examination of the University for the year ended June 30, 2021.

Indirect Cost Reimbursements

13(b) A statement of the sources and application of indirect cost recoveries is presented on page 64 within this report.

13(c) The University's calculation sheet for indirect cost carryforward and any required remittance to the University's Income Fund is presented within this report on pages 101-102.

Tuition Diversions

13(d) There were no diversions of tuition revenues to auxiliary enterprise operations identified during the financial audit and compliance examination of the University for the year ended June 30, 2021.

Auxiliary Facilities, Activities, and Accounting Entities

13(e) An identification of each specific accounting entity and a description of each entity's sources of revenues and purpose are presented within this report on pages 66-68.

13(f) The present financial statements for each accounting entity are presented on pages 70-77 within this report. These financial statements should be read in conjunction with the University's audited financial statements for the year ended June 30, 2021.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SPECIAL DATA REQUIREMENTS FOR UNIVERSITY ENGAGEMENTS
(CONTINUED)
For the Year Ended June 30, 2021

Auxiliary Facilities, Activities, and Accounting Entities (Continued)

- 13(g) The University's calculation sheets for current excess funds within each accounting entity and any required remittance to the University's Income Fund are presented within this report on pages 99-100.
- 13(h) Support received by auxiliary enterprises from State appropriated funds for retirement and group insurance benefits is disclosed in the University's financial audit report in the Table of Operating Expenses on page 67.
- 13(i) A statement of receipts and disbursements for the auxiliary activities which are covered by a bond indenture are disclosed in the University's financial audit report in the Data Required by Bond Resolutions on pages 68-73. A description of the auxiliary activities sources of revenues and purpose are presented within this report on pages 66-68.
- 13(j) There were no violations of the University's bond covenants identified during the financial audit and compliance examination for the year ended June 30, 2021.
- 13(k) The University has one non-instructional facilities reserve for a weight room expansion which was first funded at the end of Fiscal Year 2014.

University Related Organizations (UROs)

- 13(l) Organizations recognized by the University as University Related Organizations (UROs) are as follows:
- Southern Illinois University Foundation (at Carbondale)
 - Southern Illinois University at Edwardsville Foundation
 - Association of Alumni, Former Students and Friends of Southern Illinois University, Inc.
 - Alumni Association of Southern Illinois University at Edwardsville
 - University Park, Southern Illinois University at Edwardsville, Inc.
 - Southern Illinois Research Park, Inc., Carbondale
 - SIU Physicians & Surgeons, Inc.
 - SIUE East St. Louis Charter School

The University does not have any "Independent Organizations" under Section VII of the *University Guidelines*.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SPECIAL DATA REQUIREMENTS FOR UNIVERSITY ENGAGEMENTS
(CONTINUED)
For the Year Ended June 30, 2021

University Related Organizations (UROs) (Continued)

- 13(m) A summary of all UROs payments to the University for services provided by the University is presented within Note 17 on pages 57-59 of the University's audited financial statements for the year ended June 30, 2021. Specific to the URO Foundation's, a summary of Foundation payments to the University are presented within this report on pages 95-96.
- 13(n) A summary of University payments to the UROs for services provided to the UROs is presented within Note 17 on pages 57-59 of the University's audited financial statements for the year ended June 30, 2021.
- 13(o) There are no cumulative amounts of unreimbursed subsidies to any UROs as of June 30, 2021.
- 13(p) None of the UROs have financial debt as of June 30, 2021.

Other Topics

- 13(q) The University's cash and cash equivalents are disclosed within the financial audit report in Note 3 on page 31. The University's investments are disclosed within the financial audit report in Note 4 on pages 31-36.
- 13(r) The University's income from investments of pooled funds has been allocated and credited to the original sources of the funds, to the extent practical. There was no unallocated investment income required to be paid into the University's Income Fund.
- 13(s) The cost per full-time equivalent student, prepared in accordance with the requirements of the State of Illinois, Board of Higher Education, is presented within this report on page 84.
- 13(t) The University did not purchase any real estate with an acquisition cost in excess of \$250,000 that was not funded by a separate, specific appropriation from the General Assembly.
- 13(u) The University's Certificate of Participation issuances are disclosed within the financial audit report in Note 12 on page 45. Other University and URO long-term liabilities (including the University's Certificate of Participation Issuances) are disclosed within the financial audit report in Note 8 on page 40.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SPECIAL DATA REQUIREMENTS FOR UNIVERSITY ENGAGEMENTS
(CONTINUED)
For the Year Ended June 30, 2021

Other Schedules

- 13(1) An analysis of State appropriations to the University is presented on pages 58-60 within this report. In addition, the University's analysis of significant variations in expenditures is presented within page 63. There was no significant spending during the Lapse Period to present.

- 13(2) A Comparative Schedule of Revenues and Expenses for the University's Income Fund is presented on page 69 within this report.

- 13(3) Separate schedules of tuition and fee waivers for undergraduate and graduate students, respectively, are presented within this report on pages 97-98.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

**SOUTHERN ILLINOIS UNIVERSITY
CARBONDALE**

A Component Unit of the State of Illinois

SUMMARY OF FOUNDATION TRANSACTIONS WITH THE UNIVERSITY

For the Years ended June 30, 2021 and 2020

During the years ended June 30, 2021 and 2020, Southern Illinois University (at Carbondale) (the University) contracted with the Southern Illinois University Foundation (“Carbondale Foundation”) to provide fundraising and other services. In accordance with the contract agreement, during the years ended June 30, 2021 and 2020 the University provided \$5,152,878 and \$4,103,571, respectively, in funds, in-kind services and rent to the Carbondale Foundation. Although not required under the contract, the Carbondale Foundation provided the University certain funds considered unrestricted for purposes of the University Guidelines’ computations. Presented below is a summary of all funds that the Carbondale Foundation provided to the University during the years ended June 30:

	2021	2020
Funds considered unrestricted for purposes of the Guidelines' computations:		
Unrestricted	\$ 3,162	\$ 18,859
Restricted only as to campus, college or department and generally available for on-going University operations:		
Provided to particular campus	104,463	140,422
Provided to particular college	594,534	687,246
Provided to particular department	3,828,172	2,549,210
Provided to athletic association	787,852	1,885,014
Total funds considered unrestricted	5,318,183	5,280,751
Funds considered restricted for purposes of the Guidelines' computations including gifts-in-kind:		
Provided for student support	2,857,541	3,109,689
Provided for certain instructional research or public service programs	969,148	1,235,782
Provided for physical facilities	169,646	550,328
Provided for statues, artwork and monuments	34,539	182,806
Provided for other restricted purposes	8,181	6,883
Total funds considered restricted	4,039,055	5,085,488
Total funds provided by the Foundation to the University	\$ 9,357,238	\$ 10,366,239

As further described in the *Independent Accountant’s Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

**SOUTHERN ILLINOIS UNIVERSITY
EDWARDSVILLE**

A Component Unit of the State of Illinois

SUMMARY OF FOUNDATION TRANSACTIONS WITH THE UNIVERSITY
For the Years ended June 30, 2021 and 2020

During the years ended June 30, 2021 and 2020, Southern Illinois University at Edwardsville (the University) contracted with the Southern Illinois University Edwardsville Foundation to provide fundraising and other services. In accordance with the contract agreement, the University provided \$471,448 and \$403,127, respectively, in funds and in-kind services and rent to the Edwardsville Foundation. Although not required under the contract, the Foundation provided the University certain funds considered unrestricted for purposes of the University Guidelines' computations. Presented below is a summary of all funds that the Edwardsville Foundation provided to the University during the years ended June 30:

	2021	2020
Funds considered unrestricted for purposes of the Guidelines' computations:		
Unrestricted	\$ 75,762	\$ 137,915
Restricted only as to campus, college or department and generally available for on-going University operations:		
Provided to particular college	796,111	1,845,782
Provided to particular department	2,630,348	1,504,288
Provided to athletic association	156,542	158,800
Total funds considered unrestricted	3,658,763	3,646,785
Funds considered restricted for purposes of the Guidelines' computations including gifts-in-kind:		
Provided for student support	831,018	797,947
Provided for certain instructional research or public service programs	36,958	138,749
Total funds considered restricted	867,976	936,696
Total funds provided by the Foundation to the University	\$ 4,526,739	\$ 4,583,481

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
UNDERGRADUATE TUITION AND FEE WAIVERS
For the Year Ended June 30, 2021

	Carbondale Campus		Edwardsville Campus		Total	
	Number of Recipients	Value of Waivers (\$1,000's)	Number of Recipients	Value of Waivers (\$1,000's)	Number of Recipients	Value of Waivers (\$1,000's)
Mandatory waivers:						
Teacher Special Education	16	\$ 198	19	\$ 164	35	\$ 362
General Assembly	-	-	51	540	51	540
ROTC	61	409	29	202	90	612
DCFS	19	129	189	699	208	828
Children of Employees	190	697	-	-	190	697
Senior Citizens	-	-	317	1,780	317	1,780
Veterans Grants & Scholarships	312	2,098	-	-	312	2,098
Adjustments ⁽¹⁾	(6)	-	(1)	-	(7)	-
Subtotal	592	3,531	604	3,385	1,196	6,917
Discretionary waivers:						
Faculty/Administrators	22	98	10	35	32	133
Civil Service	103	607	49	180	152	787
Academic/Other Talent	493	1,396	121	836	614	2,233
Athletic	137	1,028	127	855	264	1,883
Gender Equity in Intercollegiate Athletics	104	807	102	834	206	1,641
Foreign Exchange Students	-	-	-	-	-	-
Student Need-Financial Aid	1,699	5,361	-	-	1,699	5,361
Student Need-Special Programs	-	-	21	13	21	13
Interinstitutional/Related Agencies	17	91	23	84	40	174
Retired University Employees	4	9	-	-	4	9
Cooperating Professionals	-	-	4	4	4	4
Research Assistants	-	-	3	16	3	16
Teaching Assistants	-	-	-	-	-	-
Other Assistants	-	-	27	-	27	-
Contract Training Grants	12	11	-	-	12	11
Med Tech	-	-	-	-	-	-
Children of Deceased Employees	3	21	1	6	4	27
Adjustments ⁽¹⁾	(137)	-	(9)	-	(146)	-
Subtotal	2,457	9,429	479	2,863	2,936	12,292
Total	3,049	\$ 12,960	1,083	\$ 6,248	4,132	\$ 19,209

⁽¹⁾ Recipients are represented once for each waiver program. The number of recipients in the subtotal and total is adjusted for student waivers granted in

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
GRADUATE TUITION AND FEE WAIVERS
For the Year Ended June 30, 2021

	Carbondale Campus		Edwardsville Campus		School of Medicine		Total	
	Number of Recipients	Value of Waivers (000)	Number of Recipients	Value of Waivers (000)	Number of Recipients	Value of Waivers (000)	Number of Recipients	Value of Waivers (000)
Mandatory waivers:								
Teacher Special Education	3	\$ 63	4	\$ 21	-	-	7	\$ 84
General Assembly	-	-	-	-	-	-	-	-
ROTC	-	-	-	-	-	-	-	-
DCFS	4	42	1	9	-	-	5	51
Children of Employees	-	-	4	6	-	-	4	6
Senior Citizens	1	1	-	-	-	-	1	1
Fulbright Scholarship	-	-	-	-	-	-	-	-
Veterans Grants & Scholarships	70	507	92	437	5	78	167	1,022
Adjustments ⁽¹⁾	-	-	(3)	-	-	-	(3)	-
Subtotal	78	613	98	473	5	78	181	1,164
Discretionary waivers:								
Faculty/Administrators	106	815	52	280	-	-	158	1,095
Civil Service	70	568	53	229	-	-	123	797
Academic/Other Talent	71	576	34	214	-	-	105	790
Athletic	16	152	21	122	-	-	37	274
Gender Equity in								
Intercollegiate Athletics	2	18	4	27	-	-	6	45
Out-of-State Students	-	-	-	-	-	-	-	-
Foreign Students	-	-	-	-	-	-	-	-
Student Need-Financial Aid	2	4	-	-	21	352	23	356
Cooperating Professionals	56	357	194	463	-	-	250	820
Research Assistants	505	5,227	160	856	-	-	665	6,083
Teaching Assistants	797	10,164	423	2,227	-	-	1,220	12,391
Other Assistants	102	947	140	818	-	-	242	1,765
Internstitutional/Related Agencies	13	121	45	195	-	-	58	316
Retired University Employees	3	18	-	-	-	-	3	18
Fellowships	104	894	-	-	-	-	104	894
Contract/Training Grants	53	477	-	-	-	-	53	477
Visiting Student	-	-	-	-	-	-	-	-
Adjustments ⁽¹⁾	(180)	-	(51)	-	5	-	(226)	-
Subtotal	1,720	20,338	1,075	5,431	26	352	2,821	26,121
Total	1,798	\$ 20,951	1,173	\$ 5,904	31	\$ 430	3,002	27,285

⁽¹⁾ Recipients are represented once for each waiver program. The number of recipients in the subtotal and total is adjusted for student waivers granted in multiple categories

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

**SOUTHERN ILLINOIS UNIVERSITY
CARBONDALE**
A Component Unit of the State of Illinois
CALCULATION OF CURRENT EXCESS FUNDS
For the Year Ended June 30, 2021

	LOCAL FUNDS					AUXILIARY FACILITIES	
	Public Service & Academic Support Activities	Clinical Support	Student Programs & Services	Administration	Service Departments	Auxiliary Enterprises Other	Auxiliary Enterprises Revenue Bond
CURRENT AVAILABLE FUNDS							
Cash and cash equivalents	\$ 8,113,195	\$ 28,788,405	\$ (40,288,970)	\$ (708,794)	\$ 12,120,400	\$ (22,538)	\$ 6,029,146
Interfund receivables	378,099	115,075	320,279	303,669	3,528,905	851,339	2,202,466
TOTAL CURRENT AVAILABLE FUNDS (A)	8,491,294	28,903,480	(39,968,691)	(405,125)	15,649,305	828,801	8,231,612
WORKING CAPITAL ALLOWANCES							
Highest month's expenditures	3,238,422	11,475,236	4,303,732	624,159	7,648,017	859,888	4,667,333
Encumbrances & current liabilities paid in lapse period	514,321	2,170,949	462,230	250,853	3,550,508	53,500	3,036,723
Current compensated absences	45,488	998,658	39,153	24,972	83,541	22,857	335,005
Unearned revenue	477,556	17,072	424,916	-	-	7,680	644,624
TOTAL WORKING CAPITAL ALLOWANCE (B)	4,275,787	14,661,915	5,230,031	899,984	11,282,066	943,925	8,683,685
CURRENT EXCESS FUNDS: Deduct B from A	4,215,507	14,241,565	(45,198,722)	(1,305,109)	4,367,239	(115,124)	(452,073)
CALCULATION OF INCOME FUND REMITTANCE							
An entity may offset excess capital or current funds within the entity. Enter the amount to be offset (D)	(71,319,713)	(15,169,023)	(2,830,653)	(3,388,650)	(6,688,631)	(149,394)	(36,591,443)
Enter the algebraic sum of C and D and remit the amount due, if any, to the Income Fund	\$ (67,104,206)	\$ (927,458)	\$ (48,029,375)	\$ (4,693,759)	\$ (2,301,392)	\$ (264,518)	\$ (37,043,516)

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

SOUTHERN ILLINOIS UNIVERSITY
EDWARDSVILLE
 A Component Unit of the State of Illinois
CALCULATION OF CURRENT EXCESS FUNDS
 For the Year Ended June 30, 2021

	Local Funds			Service Departments	Auxiliary Enterprises
	Academic Affairs	Student Fees	Administrative Services		
Current available funds:					
Add:					
Cash and cash equivalents	\$ 32,395,098	\$ 7,692,677	\$ 9,905,010	\$ 3,164,616	\$ 17,224,873
Due from other funds	57,052	25,692	40,679	3,548,618	285,572
Total current available funds (A)	32,452,150	7,718,368	9,945,689	6,713,234	17,510,445
Working capital allowances:					
Add:					
Highest month's expenditure	3,680,460	3,381,961	2,635,098	4,556,617	7,133,254
Encumbrances and current liabilities paid in lapse period	624,027	315,082	1,239,644	2,615,473	1,141,649
Refundable deposits/unearned income	415,724	802,992	719,058	-	1,338,003
Anticipated payout of accrued vacation and sick leave	31,659	49,005	13,976	83,911	55,185
Total working capital allowance (B)	4,751,870	4,549,040	4,607,776	7,256,001	9,668,091
Current excess (deficit) funds (deduct B from A) (C)	27,700,280	3,169,328	5,337,913	(542,767)	7,842,354
Calculation of Income Fund Remittance:					
An entity may offset excess capital or current funds within the entity. Enter the amount to be offset (D)	(39,563,806)	(3,921,264)	(3,988,019)	(6,867,272)	(9,616,689)
Enter the algebraic sum of C & D and remit the amount due, if any, to the Income Fund	\$ (11,863,526)	\$ (751,936)	\$ 1,349,894	\$ (7,410,039)	\$ (1,774,335)

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

**SOUTHERN ILLINOIS UNIVERSITY
CARBONDALE**
A Component Unit of the State of Illinois
CALCULATION SHEET FOR INDIRECT COST CARRYFORWARD

1.	Cash and equivalents balance: Enter the June 30 indirect cost entity balance for cash and equivalents:		
	Cash	\$	15,144,089
	Interfund receivables		<u>2,419,248</u>
	Total		17,563,337
2.	Allocated reimbursements: Enter the total indirect cost reimbursements allocated for expenditure for the fiscal year completed: \$49,457,220; enter 30% of this amount		14,837,166
3.	Unallocated reimbursements: Enter the lesser of the actual unallocated indirect cost reimbursements for the year completed or 10% of total indirect cost allocations for the year completed		3,106,449
4.	Encumbrances and current liabilities: Paid in the lapse period: Enter the amount of:		
	Current liabilities	\$	1,173,751
	Encumbrances		<u>367,067</u>
	Total		1,540,818
5.	Indirect cost carry-forward:		
	a. Enter the total of items 2,3, and 4		<u>19,484,433</u>
	b. Subtract from item 1. If a positive number results deposit in the income fund	\$	<u><u>(1,921,096)</u></u>

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

SOUTHERN ILLINOIS UNIVERSITY
EDWARDSVILLE
A Component Unit of the State of Illinois
CALCULATION SHEET FOR INDIRECT COST CARRYFORWARD
For the Year Ended June 30, 2021

1) Cash and Equivalents Balance

Enter the June 30 indirect cost entity balance for cash and equivalents:

Cash	\$	1,683,454
Interfund receivables		<u> -</u>

Total		1,683,454
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2) Allocated Reimbursements

Enter the total indirect cost reimbursements allocated for expenditure for the fiscal year completed:

\$3,732,189; enter 30% of this amount		1,119,657
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3) Unallocated Reimbursements

Enter the lesser of the actual unallocated indirect cost reimbursements for the year completed or 10% of total indirect cost allocations for the year completed

373,219

4) Encumbrances and Current Liabilities:

Paid in the lapse period:

Enter the amount of:

Current Liabilities	\$	305,282
Encumbrances		<u> -</u>

Total		<u> 305,282</u>
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5) Indirect cost carry-forward:

a. Enter the total of items 2, 3, and 4		<u> 1,798,158</u>
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b. Subtract from item 1. If a positive number results deposit in the income fund		<u> \$ (114,704)</u>
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As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.