



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

SOUTHERN ILLINOIS UNIVERSITY

**Financial Audit
 For the Year Ended June 30, 2024**

Release Date: March 4, 2025

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

INTRODUCTION

This digest covers Southern Illinois University’s (University) Financial Audit as of and for the year ended June 30, 2024. Digests covering the University’s Single Audit and State Compliance Examination will be released at a later date.

SYNOPSIS

- (24-1) The University did not have adequate internal controls over cutoff of accounts payable and accrued liabilities to ensure amounts owed are recorded in the proper period.

<p>Category 1: Findings that are material weaknesses in internal control and/or a qualification on compliance with State laws and regulations (material noncompliance).</p> <p>Category 2: Findings that are significant deficiencies in internal control and noncompliance with State laws and regulations.</p> <p>Category 3: Findings that have no internal control issues but are in noncompliance with State laws and regulations.</p>

SOUTHERN ILLINOIS UNIVERSITY
FINANCIAL AUDIT
For the Year Ended June 30, 2024

FINANCIAL INFORMATION - (In Thousands)	FY 2024	FY 2023
OPERATING REVENUES		
Tuition and fees, net.....	\$ 200,833,424	\$ 203,485,658
Grants and contracts.....	111,411,674	101,446,048
Sales and services of educational departments.....	176,512,826	193,390,243
Auxiliary enterprises.....	93,742,019	89,185,282
Physicians and Surgeons practice plan and other.....	68,492,193	64,831,286
Total Operating Revenues.....	<u>650,992,136</u>	<u>652,338,517</u>
OPERATING EXPENSES		
Instruction.....	276,695,217	251,356,665
Research	46,365,000	44,381,004
Public service.....	81,491,021	78,939,466
Academic support.....	284,637,055	246,099,300
Student services.....	76,246,874	73,111,013
Institutional support.....	68,828,909	73,956,316
Scholarships and fellowships.....	57,260,556	53,587,343
Auxiliary enterprises.....	79,254,366	70,410,999
Other.....	148,382,439	135,422,596
Total Operating Expenses.....	<u>1,119,161,437</u>	<u>1,027,264,702</u>
Operating Loss.....	(468,169,301)	(374,926,185)
NONOPERATING REVENUES (EXPENSES)		
State appropriations.....	222,276,756	207,340,148
Capital appropriations, grants and gifts.....	26,824,596	8,428,153
Gifts and contributions.....	15,510,487	14,378,702
Grants and contracts.....	78,448,172	68,743,548
On behalf/Special funding for fringe benefits.....	129,497,463	79,961,780
Other, net.....	15,312,578	(1,096,606)
Increase in Net Position	<u>19,700,751</u>	<u>2,829,540</u>
Net Position, beginning of year.....	<u>691,152,801</u>	<u>688,323,261</u>
Net Position, end of year.....	<u>\$ 710,853,552</u>	<u>\$ 691,152,801</u>
SUMMARY - STATEMENT OF NET POSITION (In Thousands)		
	June 30, 2024	June 30, 2023
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current assets.....	\$ 251,024,238	\$ 280,995,251
Noncurrent assets and deferred outflows.....	<u>1,032,097,907</u>	<u>986,974,501</u>
Total assets and deferred outflows of resources.....	<u>1,283,122,145</u>	<u>1,267,969,752</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Current liabilities.....	153,933,513	137,973,349
Noncurrent liabilities and deferred inflows of resources.....	<u>418,335,080</u>	<u>438,843,602</u>
Total liabilities and deferred inflows of resources.....	<u>572,268,593</u>	<u>576,816,951</u>
TOTAL NET POSITION.....	<u>\$ 710,853,552</u>	<u>\$ 691,152,801</u>
UNIVERSITY PRESIDENT		
During Audit Period: Dr. Daniel Mahoney		
Currently: Dr. Daniel Mahoney		

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**INADEQUATE INTERNAL CONTROLS OVER
CUTOFF OF ACCOUNTS PAYABLE AND ACCRUED
LIABILITIES**

The University did not have adequate internal controls over cutoff of accounts payable and accrued liabilities to ensure amounts owed are recorded in the proper period.

The auditors noted the following:

- The University recorded two invoices for \$206,741 and \$613,025, respectively, in accounts payable as of June 30, 2024. However, the services related to Fiscal Year 2025.
- The University recorded a duplicate invoice for \$161,675 in accounts payable as of June 30, 2024.
- The University did not record an invoice for \$48,163 in accounts payable as of June 30, 2024 although the goods were received in Fiscal Year 2024.
- The University accrued and expensed, rather than capitalized, two fixed assets for \$263,770 during Fiscal Year 2024 (Finding 1, pages 5-6).

Payables were overstated more than \$900,000 for bills duplicated, omitted or charged to the wrong year

We recommended the University ensure performance of appropriate reviews of invoice details to ensure the service period is being utilized to determine the period in which accounts payable and accrued liabilities and the related expenses are recorded in the financial statements. We also recommended the University review the service date entered into the system to ensure amounts are accrued in the proper fiscal year. Additionally, we recommended the University input a control to timely review for payments on fixed assets to ensure expenses are being properly capitalized in the correct period.

Agency agreed

University officials agreed and stated the University will ensure that appropriate reviews of invoice details are performed so that accurate service dates are entered into the accounting system in order to properly record accrued expenses. Officials also stated the results of the audit were reviewed with accounts payable staff, and additional training has been provided to underscore the importance of the accuracy of the service dates to ensure expenditures are properly recorded in either the prior or current fiscal year. The University further responded that each year at fiscal year-end, the Accounts Payable supervisor will meet with staff to provide refresher training on this issue, and noted Accounts Payable staff have been encouraged to seek guidance and

further review of any invoices in which the service dates are not clearly discernable. Officials also stated the University will implement controls regarding payments on fixed assets to ensure expense capitalization in the proper period, and noted that the results of this audit were shared with Property Control staff.

AUDITOR'S OPINIONS

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

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

SIGNED ORIGINAL ON FILE

COURTNEY DZIERWA
Division Director

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

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

FJM:lkw