

**SOUTHERN ILLINOIS UNIVERSITY**

A Component Unit of the State of Illinois

**REPORTS REQUIRED UNDER  
GOVERNMENT AUDITING STANDARDS**

For the Year Ended June 30, 2025

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

**SOUTHERN ILLINOIS UNIVERSITY**  
A Component Unit of the State of Illinois  
**FINANCIAL AUDIT**  
For the Year Ended June 30, 2025

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<p>Southern Illinois University's <i>Federal Single Audit</i> and <i>State Compliance Examination</i> for the year ended June 30, 2025 will be issued under separate covers. Additionally, the University's financial statements as of and for the year ended June 30, 2025 have been issued under a separate cover.</p>	

**SOUTHERN ILLINOIS UNIVERSITY**  
A Component Unit of the State of Illinois  
**FINANCIAL AUDIT**  
For the Year Ended June 30, 2025

**UNIVERSITY OFFICIALS**

President	Dr. Daniel Mahony
Fiscal Officer	Duane Stucky
Vice President for Financial and Administrative Affairs (Effective 9/15/25)	
General Counsel	Justin Oates
Executive Director, Internal Audit (7/1/24 - 12/31/24)	Lucas Crater
Interim Executive Director, Internal Audit (1/1/25 – 6/30/25)	Kimberly Labonte
Executive Director, Internal Audit (Effective 7/1/25)	Jamie Grapperhaus
SIUC Chancellor	Evonne Thompson
SIUE Chancellor	Austin Lane
	James Minor

**BOARD OFFICERS**

Board Chair	J. Phil Gilbert
Board Vice Chair	Ed Hightower
Board Secretary (7/1/24 – 3/20/25)	Subhash Sharma
Board Secretary (3/21/25 – 4/16/25)	Vacant
Board Secretary (Effective 4/17/25)	Sara Salger
Board Treasurer (Effective 9/15/25)	Justin Oates
Secretary to the Board	Paula Keith

**GOVERNING BOARD MEMBERS**

Trustee	Edgar Curtis
Trustee	J. Phil Gilbert
Trustee	Ed Hightower
Trustee	Sara Salger
Trustee	John Simmons
Trustee (7/1/24 – 3/20/25)	Subhash Sharma
Trustee (3/21/25 – 3/27/25)	Vacant
Trustee (Effective 3/28/25)	Tonnette Williams
Trustee (7/1/24 – 4/30/25)	Roger Tedrick
Trustee (5/1/25 – 7/31/25)	Vacant
Trustee (Effective 8/1/25)	Deborah Barnett
Student Trustee (7/1/24 – 6/30/25)	Hannah Connolly
Student Trustee (7/1/25 – 6/30/26)	Hannah Connolly
Student Trustee (7/1/24 – 12/2/24)	Kaia Ford
Student Trustee (12/3/24 – 1/26/25)	Vacant
Student Trustee (1/27/25 – 6/30/25)	Moayad Abuzaneh
Student Trustee (7/1/25 – 6/30/26)	Moayad Abuzaneh

**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**  
A Component Unit of the State of Illinois  
**FINANCIAL AUDIT**  
For the Year Ended June 30, 2025

**REPORT REQUIRED UNDER GOVERNMENT AUDITING STANDARDS**

**SUMMARY**

The audit of the financial statements of Southern Illinois University (University) was performed by Plante & Moran, PLLC in accordance with *Government Auditing Standards*. This report is an integral part of that audit.

Based on their audit, the auditors expressed unmodified opinions on the University’s basic financial statements, issued under a separate cover.

**SUMMARY OF FINDINGS**

The auditors identified one matter involving the University’s internal control over financial reporting that they considered to be a material weakness.

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
<b>Current Findings</b>				
2025-001	5	New	Inadequate Internal Controls over Census Data	Material Weakness
<b>Prior Findings Not Repeated</b>				
A	8	2024/2024	Inadequate Internal Controls Over Cutoff of Accounts Payable and Accrued Liabilities	

**EXIT CONFERENCE**

The University waived an exit conference in a correspondence from Evonne Thompson, Executive Director, Internal Audit, on February 19, 2026. The response to the recommendation was provided by Evonne Thompson, Executive Director, Internal Audit, in a correspondence dated February 20, 2026.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

and

Board of Trustees  
Southern Illinois University

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities, fiduciary activities, and the aggregate discretely presented component units of Southern Illinois University (the "University"), collectively a component unit of the State of Illinois, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and we have issued our report thereon dated February 27, 2026. Our report includes a reference to other auditors who audited the financial statements of Southern Illinois University Foundation (at Carbondale), the Association of Alumni, Former Students and Friends of Southern Illinois University, Inc. (at Carbondale), the Alumni Association of Southern Illinois University Edwardsville, the Southern Illinois University Edwardsville Foundation, University Park Southern Illinois University at Edwardsville, Inc., Southern Illinois Research Park, Inc. Carbondale, SIU Physicians & Surgeons, Inc., the SIUE East St. Louis Charter School, and the SIU Dental Associates, Southern Illinois University at Edwardsville as described in our report on the University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, 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.

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, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the University's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* 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.

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

and

Board of Trustees  
Southern Illinois University

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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 were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings as item 2025-001 that we consider to be a material weakness.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **The University's Response to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the University's response to the findings identified in our audit and described in the schedule of findings. The University's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**SIGNED ORIGINAL ON FILE**

Plante & Moran, PLLC

Cincinnati, Ohio

February 27, 2026

**SOUTHERN ILLINOIS UNIVERSITY**  
A Component Unit of the State of Illinois  
**SCHEDULE OF FINDINGS – GOVERNMENT AUDITING STANDARDS FINDINGS**  
For the Year Ended June 30, 2025

**2025-001 Finding - Inadequate Internal Controls over Census Data**

The Southern Illinois University (University) did not have adequate internal control over reporting its census data to provide assurance that the census data submitted to the State Universities Retirement System (System) and State Employees' Group Insurance Program (Plan) 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 other postemployment benefit (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 valuations (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 pension plan administered by the System and the Plan 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. Additionally, CMS' actuary uses census data for employees of the State's public universities provided by the System, along with census data for other participating members provided by the State's four other pension systems, to prepare their projection of the liabilities of the Plan. Finally, the System's actuary and CMS' actuary used census data transmitted by the University during fiscal year 2023 to project pension and OPEB-related balances and activity at the plans during fiscal year 2024, which is incorporated into the University's fiscal year 2025 financial statements.

During the performance of the census examination, the auditors noted the following:

- While the University had performed an initial complete reconciliation of its census data recorded by the System to its internal records, the University had not developed a University-wide process to annually obtain from the System the incremental changes recorded by the System in the census data records and reconcile these changes back to the University's internal supporting records.
- During completeness testing of University faculty data, the auditors identified eight instructors were not reported as eligible to participate in the System and the Plan by the University.
- During cut-off testing of data transmitted by the University to the System, the auditors identified the following events were reported to the System after the close of the fiscal year in which the event occurred, resulting in improper exclusion or inaccurate member status (active or inactive) as of fiscal year-end.
  - o Three new employee hires
  - o Four employees going on a leave of absence
  - o One hundred sixty-five employee terminations

The result of the errors above led to contributions due to the plan being understated and inaccurate census data being utilized by the System and the State in the performance of the annual pension and OPEB actuarial valuation processes. The independent actuaries utilized by the System and the State of Illinois for the pension and OPEB plans deemed the errors immaterial to the plan level valuations as a whole.

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

**SOUTHERN ILLINOIS UNIVERSITY**  
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**SCHEDULE OF FINDINGS – GOVERNMENT AUDITING STANDARDS FINDINGS**  
For the Year Ended June 30, 2025

**2025-001 Finding - Inadequate Internal Controls over Census Data (Continued)**

Additionally, eligibility criteria for participation in the System 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 the System. Under the Code (40 ILCS 5/15-107), an employee is any member of the educational, administrative, secretarial, clerical, mechanical, labor, or other staff of an employer whose employment in a position in which services are expected to be rendered on a continuous basis for at least four months or an academic term, whichever is less, and is:

1. Not a student employed on a less than full-time temporary basis;
2. Not receiving a retirement or disability annuity from the System;
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 the System's disability benefits;
6. Not paid from funds received under the Federal Comprehensive Employment and Training Act as a public service employment program participant hire 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 the System electing to exclude these persons from the definition of 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
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.

In addition, the 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 the System, 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 the System. Further, the Code (40 ILCS 5/15-155(b)) requires the University to remit employer contributions to the System reflecting the accruing normal costs of an employee paid from federal or trust funds.

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

University officials indicated that the exceptions occurred due to the difficulty in timely reporting events which occur near the end of the fiscal year to the System, while efforts are made to report as soon as administratively possible. Additionally, terminations of term faculty members are reported subsequent to the determination and review of reappointment status.

Failure to ensure that complete and accurate census data, as well as employee and employer contributions are reported to the System and the State reduces the overall reliability of the pension and OPEB-related balances and activity reported in the University's financial statements, the financial statements of other employers within both plans, and the State of Illinois' Annual Comprehensive Financial Report. Further, failure to report all eligible employees to the System and Plan may result in employees not receiving the pension and OPEB benefits they are entitled to receive under the Code and the Act. (Finding Code No. 2025-001)

**SOUTHERN ILLINOIS UNIVERSITY**  
A Component Unit of the State of Illinois  
**SCHEDULE OF FINDINGS – GOVERNMENT AUDITING STANDARDS FINDINGS**  
For the Year Ended June 30, 2025

**2025-001      Finding - Inadequate Internal Controls over Census Data (Continued)**

**RECOMMENDATION**

We recommend the University strengthen controls to ensure to establish a University-wide process of annually obtaining from the System the incremental changes recorded in the census data records and reconcile these changes back to the University's internal supporting records. If differences are noted between the University's data and the System's data, these differences should be communicated timely and rectified to ensure the actuarial valuations are using accurate data.

Further, we recommend the University strengthen controls to ensure all eligible employees are reported to the System and State, along with any required employee and employer contributions.

Finally, we recommend the University strengthen controls to ensure all events occurring within the census data accumulation year are reported timely to the System so these events can be incorporated into the census data utilized in the annual actuarial valuation process.

**UNIVERSITY RESPONSE**

Accepted. SIU complies with and has processes for the reporting, documentation, eligibility, and contribution requirements as soon as administratively possible. The University will continue strengthening efforts and controls to reconcile System data to University data. This includes using a monthly file provided by the System to ensure the accuracy of System data compared to University data. Differences will be reported promptly and rectified.

The University strives to report all events within the census data accumulation year. However, events that occur late in the fiscal year or are not reported to Human Resources by departments on time may result in reporting in the next fiscal year.

**SOUTHERN ILLINOIS UNIVERSITY**  
A Component Unit of the State of Illinois  
**SCHEDULE OF PRIOR FINDINGS NOT REPEATED**  
For the Year Ended June 30, 2025

**A. Finding - Inadequate Internal Controls over Cutoff of Accounts Payable and Accrued Liabilities**

During the prior financial audit, Southern Illinois University (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.

During the current financial audit, no exceptions were noted in relation to accounts payable and accrued liabilities. (Finding Code No. 2024-001)