

SOUTHERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

FINANCIAL AUDIT

For the Year Ended June 30, 2024

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, 2024

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Other Reports Issued Under a Separate Cover

Southern Illinois University's *Federal Single Audit and State Compliance Examination* for the year ended June 30, 2024, will be 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, 2024, 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 solely to 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
SENIOR VICE PRESIDENT FOR FINANCIAL & ADMINISTRATIVE AFFAIRS
STONE CENTER - MAIL CODE 6801 / 1400 DOUGLAS DRIVE / CARBONDALE, ILLINOIS 62901

February 11, 2025

TO THE BOARD OF TRUSTEES
OF SOUTHERN ILLINOIS UNIVERSITY

I am pleased to submit the annual financial report of Southern Illinois University for the year ended June 30, 2024.

The report consists of the Independent Auditors' Report, Management's Discussion and Analysis, the basic financial statements, and the notes to the financial statements of the University and its aggregate discretely presented component units. It presents the respective financial positions of the University and its component units.

The financial statements of the University have been audited by Plante & Moran, PLLC for fiscal year 2024. As Special Assistant Auditors for the Auditor General, they will be issuing two additional reports. A report covering their audit of the compliance of the University with applicable federal laws and regulations. They will also be issuing a report on the University's compliance with applicable state laws and regulations. This report will also contain special data requested by the Auditor General. These reports will be available at the Office of the Auditor General, State of Illinois.

Respectfully submitted,

SIGNED ORIGINAL ON FILE

Duane Stucky
Board Treasurer

DS/psi

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
FINANCIAL AUDIT
For the Year Ended June 30, 2024

UNIVERSITY OFFICIALS

President	Dr. Daniel Mahony
Fiscal Officer	Duane Stucky
General Counsel	Lucas Crater
Executive Director, Internal Audit (thru 12/31/24)	Kimberly Labonte
Interim Executive Director, Internal Audit (1/1/25-Present)	Jamie Grapperhaus
SIUC Chancellor	Austin Lane
SIUE Chancellor	James Minor

BOARD OFFICERS

Board Chair	J. Phil Gilbert
Board Vice Chair	Ed Hightower
Board Secretary	Subhash Sharma
Secretary to the Board	Paula Keith

GOVERNING BOARD MEMBERS

Trustee	Edgar Curtis
Trustee	J. Phil Gilbert
Trustee	Ed Hightower
Trustee	Sara Salger
Trustee	Subhash Sharma
Trustee	John Simmons
Trustee	Roger Tedrick
Student Trustee (7/1/24-6/30/25)	Hannah Connolly
Student Trustee (7/1/24-12/2/24)	Kaia Ford
Student Trustee (1/27/25-6/30/25)	Moayad Abuzaneh
Student Trustee (7/1/23-6/30/24)	Lauren Harris
Student Trustee (7/1/23-6/30/24)	Victor Ludwig

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
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For the Year Ended June 30, 2024

FINANCIAL STATEMENT REPORT

SUMMARY

The audit of the accompanying financial statements of Southern Illinois University was performed by Plante & Moran, PLLC.

Based on their audit, the auditors expressed an unmodified opinion on the University's basic financial statements.

EXIT CONFERENCE

The University waived an exit conference in a correspondence from Jamie Grapperhaus, Interim Executive Director, Internal Audit, on January 30, 2025.

Independent Auditor's Report

To the Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Board of Trustees
Southern Illinois University

Report on the Audit of the Financial Statements

Opinions

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the business-type activities, fiduciary activities and the aggregate discretely presented component units of Southern Illinois University (the "University") a component unit of the State of Illinois, as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise Southern Illinois University's basic financial statements, as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, fiduciary activities and the aggregate discretely presented component units of Southern Illinois University as of June 30, 2024 and the respective changes in its financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit 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., SIUE East St. Louis Charter School, and the SIU Dental Associates, Southern Illinois University at Edwardsville (collectively known as "the aggregate discretely presented component units"), which represent 100 percent, and 100 percent, respectively, of the assets and revenues of the aggregate discretely presented component units as of June 30, 2024 and the respective changes in financial position and cash flows thereof for the year then ended. Those financial statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the University and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Board of Trustees
Southern Illinois University

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 7-15, the Schedule of Southern Illinois University's Proportionate Share of the Net Pension Liability and the Southern Illinois University Schedule of Contributions on page 64, and the Schedule of Southern Illinois University's Proportionate Share of the Net OPEB liability on page 67 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Board of Trustees
Southern Illinois University

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Southern Illinois University's basic financial statements. The Table of Operating Expenses on page 68 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Table of Operating Expenses is fairly stated in all material respects in relation to the basic financial statements as a whole.

Additional Information

Management is responsible for the additional information included in this report. The additional information comprises the Treasurer's letter, University officials, and Data Required by Revenue Bond Resolutions but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the additional information, and we do not express an opinion or any form of assurance thereon.

We read the additional information and considered whether a material inconsistency existed between the additional information and the financial statements, or the additional information otherwise appeared to be materially misstated. If, based on the work performed, we had concluded that an uncorrected material misstatement of the additional information existed, we would have described it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2025 on our consideration of Southern Illinois 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. The purpose of that report is solely to 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 Southern Illinois 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* in considering Southern Illinois University's internal control over financial reporting and compliance.

SIGNED ORIGINAL ON FILE

Plante & Moran, PLLC
Cincinnati, Ohio
February 11, 2025

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024

Introduction

The following unaudited discussion and analysis of the financial statements of Southern Illinois University (the “University”) provides an overview of the University’s financial activities for the fiscal year ended June 30, 2024 with selected comparative information for the year ended June 30, 2023. This discussion has been prepared by management and should be read in conjunction with the financial statements and related footnotes.

Chartered in 1869, Southern Illinois University opened for instruction in Carbondale in 1874 in a one-building teacher training institution known as Southern Illinois Normal University. Today, two institutions constitute Southern Illinois University—Southern Illinois University Carbondale, with a School of Medicine in Springfield, and Southern Illinois University Edwardsville, with a School of Dental Medicine in Alton and the East St. Louis Center.

This discussion focuses on the financial activities of the University (the primary unit), a component unit of the State of Illinois which conducts instruction, research, public services and related activities. The nine discretely presented component units of the University consist of the following entities: the Southern Illinois University Foundation at Carbondale; the Southern Illinois University at Edwardsville Foundation; the Association of Alumni, Former Students and Friends of Southern Illinois University, Inc.; the Alumni Association of Southern Illinois University at Edwardsville; University Park at Edwardsville; Southern Illinois Research Park, Inc. at Carbondale; SIU Physicians and Surgeons, Inc.; SIUE East St. Louis Charter School; and SIU Dental Associates at Edwardsville. Complete financial statements for the component units may be obtained from each entity, and addresses are provided in Note 1 in the Notes to Financial Statements.

Using the Financial Statements

The University’s financial report includes four basic financial statements: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; the Statement of Cash Flows; and the Statement of Fiduciary Funds. The notes to the basic financial statements are an integral part of the basic financial statements and provide additional details which should be included as part of any review or analysis. The financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) principles, which establish standards for external financial reporting for public colleges and universities and require that financial statements focus on the University as a whole.

Statement of Net Position

The Statement of Net Position presents the financial position of the University at the end of the fiscal year and includes all assets and liabilities, both current and noncurrent, and all deferred outflows and inflows of resources, using the accrual basis of accounting. The difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources is net position, which is one indicator of the current financial health of the University. Typically, the changes in the net position that occur over time indicate improvements or deterioration in the University’s financial condition.

The University’s assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2024 and 2023, are summarized as follows:

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024

Statement of Net Position (continued)

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Assets and deferred outflows of resources:		
Current assets	\$ 251,024,238	\$ 280,995,251
Capital assets, net	794,674,788	765,643,218
Other assets	194,095,897	175,945,905
Deferred outflows of resources	<u>43,327,222</u>	<u>45,385,378</u>
Total assets and deferred outflows of resources	1,283,122,145	1,267,969,752
Liabilities and deferred inflows of resources:		
Current liabilities	153,933,513	137,973,349
Noncurrent liabilities	335,396,883	334,705,934
Deferred inflows of resources	<u>82,938,197</u>	<u>104,137,668</u>
Total liabilities and deferred inflows of resources	572,268,593	576,816,951
Net Position:		
Net investment in capital assets	570,564,352	543,879,869
Restricted - nonexpendable	4,144,172	2,662,271
Restricted - expendable	89,260,771	83,202,780
Unrestricted	<u>46,884,257</u>	<u>61,407,881</u>
Total Net Position	<u>\$ 710,853,552</u>	<u>\$ 691,152,801</u>

Net position is divided into three major categories: Net Investment in Capital Assets, Restricted Net Position, and Unrestricted Net Position. Net Investment in Capital Assets consists of capital assets reduced by depreciation and the outstanding balances of borrowings for construction and improvements of those assets. Restricted Net Position has external constraints, including grants and contracts, self-insurance, capital projects, agency funds, endowment funds, and loan funds. Unrestricted Net Position does not meet the definition of the first two categories.

University assets and deferred outflows of resources totaled \$1.28 billion at June 30, 2024, an increase of \$15.2 million compared to the prior year. University current assets decreased by \$30 million as a result of a combined decrease in cash and short-term investments of \$38 million offset by increases in accounts receivable of \$5.9 million and reimbursements due from related organizations of \$3.2 million. Also, at June 30, 2024, the Edwardsville campus reported an unexpended appropriation, which was spent during the lapse period prior to August 31, 2024, of \$809,000, a decrease from the prior year of \$1.6 million. This appropriation was related to renovations taking place at the former Lindenwood University campus in Belleville, Illinois. Increased long-term investments of \$19.2 million offset by decreased non-current notes receivable contributed to the increase of other assets. Deferred outflows of resources related to pension and other postemployment benefits (OPEB) decreased \$2 million compared to fiscal year 2023. The largest asset of the University is its investment in land, buildings and equipment, which totaled \$794.7 million at June 30, 2024, and \$765.6 million at June 30, 2023. More detailed information is presented in Note 7 in the Notes to Financial Statements.

University liabilities and deferred inflows of resources at June 30, 2024, decreased \$4.5 million, compared to 2023. Accounts payable along with liabilities related to capital leases and software combined for an increase of \$28.6 million. Conversely, obligations for debt issuances decreased \$19 million along with a decrease in the University's proportionate share of OPEB liability and deferred inflows of \$15.1 million. The University's 2024 overall net position, increased \$19.7 million compared to fiscal year 2023 primarily driven by an increase in the University's investment in capital assets offset by a decrease in unrestricted net position.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024

Statement of Net Position (continued)

As of June 30, 2024, the University had deferred inflows of resources related to postemployment benefits other than pensions totaling \$76.8 million. The Department of Central Management Services administers the benefits on behalf of the University. The State of Illinois is not required to fund the plan other than the pay-as-you-go amount necessary to provide the current benefits to retirees; therefore, the University has recorded a liability of \$77.3 million related to these benefits as of June 30, 2024. More detailed information is presented in Note 17 in the Notes to Financial Statements.

Capital Assets and Long-Term Debt

The University’s Capital Asset policy requires the capitalization of infrastructure at \$1,000,000, buildings and intangible assets at \$100,000, site or building improvements and subscription-based IT agreements (SBITAs) at \$25,000, right to use leased assets at \$10,000 and equipment \$5,000. The University depreciates its capital assets on a straight-line basis, using estimated useful lives ranging from five to forty years. Right to use leased assets and SBITAs are amortized over the shorter of the estimated life of the class of capital asset, the lease term, or length of the IT agreement.

The following table illustrates the composition of the University’s capital assets, net of accumulated depreciation and amortization, by category:

Capital Assets, Net of Accumulated Depreciation

	2024		2023	
Land	\$ 25,756,201	3.2%	\$ 22,354,499	2.9%
Buildings	555,240,641	69.9%	591,008,328	77.2%
Improvements and infrastructure	40,156,295	5.0%	32,523,694	4.2%
Equipment	35,416,223	4.5%	31,746,403	4.1%
Right to use assets	64,060,355	8.1%	51,792,623	6.8%
Collections	13,053,830	1.6%	13,053,830	1.7%
Construction in progress	60,991,243	7.7%	23,163,841	3.0%
	<u>\$ 794,674,788</u>	<u>100.0%</u>	<u>\$ 765,643,218</u>	<u>100.0%</u>

At the end of fiscal years 2024 and 2023, respectively, the University had \$570,564,352 and \$543,879,869 invested in capital assets, net of accumulated depreciation, amortization and related debt. Depreciation and amortization expense for 2024 and 2023, respectively, was \$71,683,411 and \$68,980,760. Building values decreased \$35.8 million as a result of depreciation of \$38.2 million offset by transfers from Construction in Progress and building additions of \$2.4 million. Projects at the School of Medicine contributed to the \$7.6 million increase in improvements and infrastructure and projects funded by the Illinois Capital Development Board on all campuses was the primary factor in the \$37.8 million increase in constructions in progress.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024

Capital Assets and Long-Term Debt (continued)

The University has historically utilized revenue bonds to finance capital projects related to the Housing and Auxiliary Facilities System and the Medical Facilities System which have the ability to generate resources to service the debt. There were no new debt issuances during fiscal year 2024. The final payment on the Medical Facilities System bonds was made on April 1, 2023 and the Medical Facilities System was dissolved effective June 30, 2023. The following table details the bonded debt outstanding at June 30, 2024 and 2023:

	Bonds Payable	
	<u>2024</u>	<u>2023</u>
Housing and Auxiliary Facilities System	\$ 136,087,531	\$ 151,692,379
Medical Facilities System	-	-
	<u><u>\$ 136,087,531</u></u>	<u><u>\$ 151,692,379</u></u>

The balances of outstanding Certificates of Participation at June 30, 2024 and 2023 were \$21,732,171 and \$25,119,356, respectively. For additional information concerning the University’s Capital Assets and Debt Administration, see Notes 7, 9, 10, and 12 in the Notes to Financial Statements.

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position presents the results of the University’s revenue and expense activity categorized as operating or nonoperating. All revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid.

Operating revenues and expenses involve exchange transactions. In general, operating revenues include student tuition and fees which are net of scholarship allowances, most grants and contracts, auxiliary enterprises, and sales and services of educational departments. Operating expenses are those expenses incurred to carry out the mission of the University, and include educational and general program expenses, as well as auxiliary enterprises and depreciation.

Nonoperating revenues and expenses involve non-exchange transactions and include state appropriations, investment income, payments on-behalf of the University, and gifts. State appropriations are mandated as nonoperating because they are provided by the legislature to the University without the legislature directly receiving commensurate goods and services for those revenues. Therefore, an operating loss will always result.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024

Statement of Revenues, Expenses and Changes in Net Position (continued)

The following summarizes the University's financial activity for fiscal years 2024 and 2023:

	<u>Year Ended June 30, 2024</u>	<u>Year Ended June 30, 2023</u>
Operating revenues:		
Tuition and fees, net	\$ 200,833,424	\$ 203,485,658
Auxiliary enterprises	93,211,811	89,185,282
Grants and contracts	111,411,674	101,446,048
Other	245,535,227	258,221,529
Operating expenses	<u>(1,119,161,437)</u>	<u>(1,027,264,702)</u>
Operating loss	<u>(468,169,301)</u>	<u>(374,926,185)</u>
State appropriations	222,276,756	207,340,148
Pension and OPEB related revenue	129,497,463	79,961,780
Other nonoperating revenues & expenses, net	<u>109,271,237</u>	<u>82,025,644</u>
Income before other revenues	(7,123,845)	(5,598,613)
Other revenues	<u>26,824,596</u>	<u>8,428,153</u>
Increase in net position	19,700,751	2,829,540
Net position at beginning of year	691,152,801	688,323,261
Net position at end of year	<u>\$ 710,853,552</u>	<u>\$ 691,152,801</u>

Operating revenue experienced a slight decrease of \$1.3 million, or .2%, in fiscal year 2024, compared to 2023. In fiscal year 2024, the University experienced increases in all categories of operating revenues except for net student tuition and fees which had a slight decrease of \$2.7 million along with sales and services revenue which decreased \$16.9 million primarily related to decreased hospital fee revenue at the School of Medicine. Auxiliary enterprise revenues increased \$4 million. Overall grant revenues increased \$10 million driven by increases in state funding of \$9 million and private grant funding of \$1 million. Revenues generated from the Physicians & Surgeons practice plan experienced an overall increase of \$3.7 million.

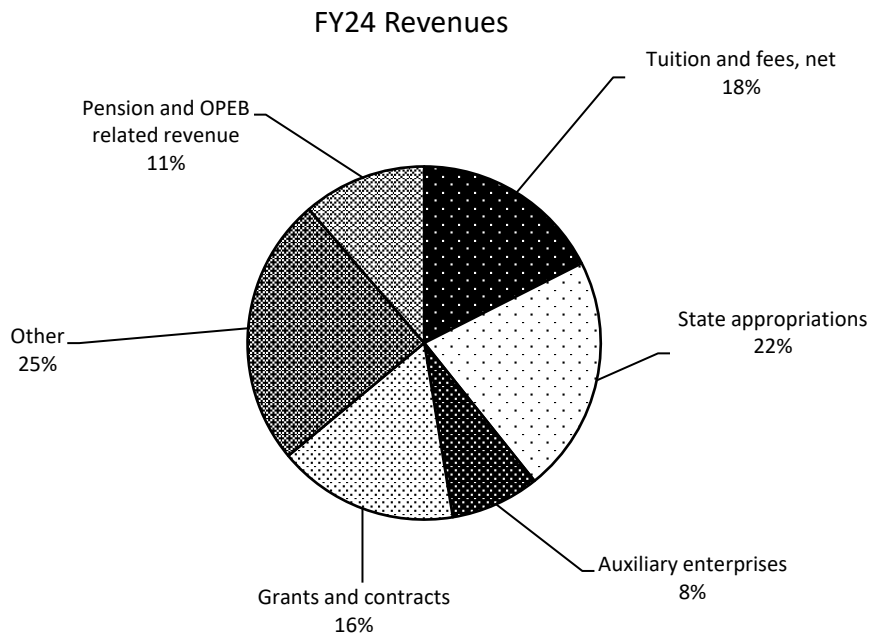
Fiscal year 2024 operating expenses increased \$91.9 million, or 8.9% compared to 2023. The increase can be primarily attributed to increased state appropriation expenses, auxiliary enterprise expenditures along with increased pension and OPEB expenses.

Net nonoperating revenues and expenses realized in 2024 increased \$91.7 million, or 24.8% from fiscal year 2023. Revenues related to pension and OPEB increased \$49.5 million as benefit costs incurred by the State of Illinois on behalf of the University are reported as both nonoperating revenues and operating expenses. State appropriation revenues, also reported as nonoperating revenues and operating expenses increased \$14.9 million. Also, non-exchange grant and contract revenues along with investment income combined for an increase of \$20.5 million.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024

Statement of Revenues, Expenses and Changes in Net Position (continued)

The following is a graphic illustration of fiscal year 2024 revenues by source (operating, nonoperating, and other), which were used to fund the University's activities. The revenue from charges for tuition and fees is shown net of scholarship allowance of \$78,793,253. Student tuition, on-behalf payments, and state appropriations are typically the primary source of funding for the University's academic programs. Other operating revenues consist primarily of income from sales and services of educational activities and income from the Physicians and Surgeons practice plan.



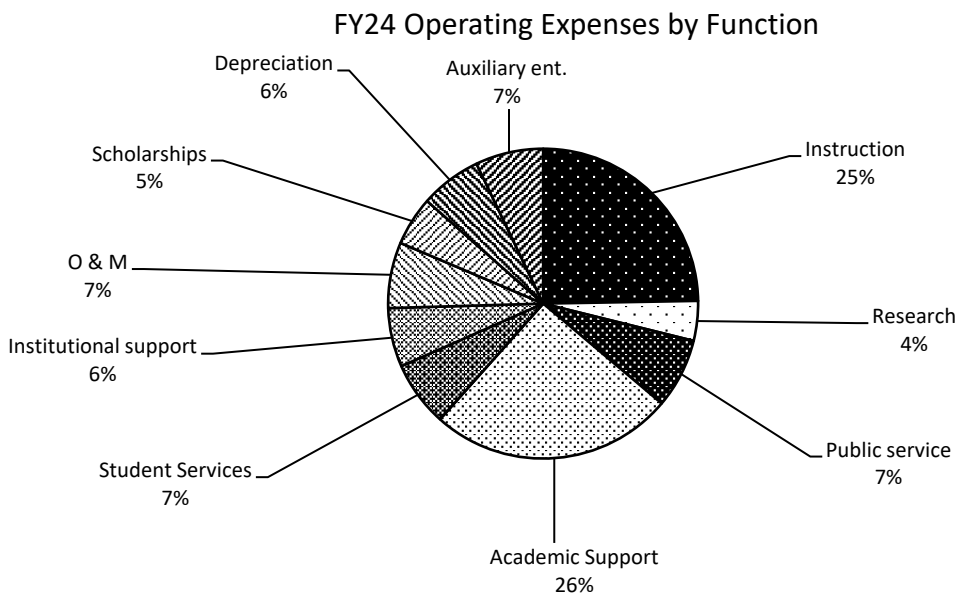
SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024

Operating Expenses

A summary of the University’s operating expenses by functional classification for the years ended June 30, 2024 and 2023 is as follows:

	<u>2024</u>		<u>2023</u>	
Instruction	\$ 276,695,217	24.7%	\$ 251,356,665	24.5%
Research	46,365,000	4.1%	44,381,004	4.3%
Public service	81,491,021	7.3%	78,939,466	7.7%
Academic support	284,637,055	25.4%	246,099,300	23.9%
Student services	76,246,874	6.8%	73,111,013	7.1%
Institutional support	68,828,909	6.2%	73,956,316	7.2%
Operation and maintenance of plant	76,699,028	6.9%	66,441,836	6.5%
Scholarships and fellowships	57,260,556	5.1%	53,587,343	5.2%
Depreciation	71,683,411	6.4%	68,980,760	6.7%
Auxiliary enterprises	79,254,366	7.1%	70,410,999	6.9%
	<u>\$ 1,119,161,437</u>	<u>100%</u>	<u>\$ 1,027,264,702</u>	<u>100%</u>

Operating expenses include \$129,497,463 and \$79,961,780 for health care and retirement costs of University employees and retirees primarily paid by the State of Illinois for fiscal years 2024 and 2023, respectively. Expenses recognized by the University related to retirement costs decreased \$1.4 million from fiscal year 2023 while expenses related to Other Post-Employment Benefits (OPEB) increase \$50.9 million. These expenses have been allocated by function. The University chooses to report its expenses by functional classification in the Statement of Revenues, Expenses and Changes in Net Position. The expenses are displayed in their natural classifications in Note 20. The following is a graphic illustration of operating expenses by function for the year ended June 30, 2024:



SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024

Statement of Cash Flows

The Statement of Cash Flows provides additional information about the University's sources and uses of cash during the fiscal year. This statement helps users assess the University's ability to generate net cash flows, its ability to meet obligations as they come due, and its need for external financing. The following summarizes the University's cash flow activity for fiscal years 2024 and 2023:

	<u>Year Ended June 30, 2024</u>	<u>Year Ended June 30, 2023</u>
Cash provided by (used in):		
Operating activities	\$ (294,316,634)	\$ (261,254,844)
Noncapital financing activities	325,983,939	287,559,262
Capital and related financing activities	(67,319,798)	(28,255,931)
Investing activities	<u>18,282,521</u>	<u>47,826,399</u>
Net increase (decrease) in cash	(17,369,972)	45,874,886
Cash and cash equivalents, beginning of year	<u>146,525,527</u>	<u>100,650,641</u>
Cash and cash equivalents, end of year	<u>\$ 129,155,555</u>	<u>\$ 146,525,527</u>

Major sources of funds included in operating activities are student tuition and fees, grants and contracts, sales and services of educational activities, auxiliary enterprises, and other operating receipts. For fiscal years 2024 and 2023, respectively, student tuition and fees generated \$230.3 million and \$227 million. Grants and contracts provided \$106.3 million and \$94.1 million. Sales and services of educational activities received \$169.3 million and \$195.7 million, auxiliary enterprises generated \$100.8 million and \$95.9 million, and other operating receipts totaled \$140.2 million and \$125.8 million. Payments for employee salaries and benefits, payments to suppliers for goods and services, and scholarship and fellowship payments comprise the major uses of operating funds which increased \$42.9 million or 4% in fiscal year 2024 compared to fiscal year 2023.

The major sources of funds in noncapital financing activities are state appropriations and non-exchange grants and contracts. State appropriations increased 8.1% to \$221.5 million in fiscal year 2024 while non-exchange grants and contracts increased 12.4% to \$78.4 million.

Cash flows related to outstanding capital debt, the purchases of capital assets, and capital appropriations comprise the major activity in capital and related financing activities. Cash used in relation to capital debt was \$25.5 million and was comprised of principal and interest payments. Funds used to purchase capital assets totaled \$43.6 million in fiscal year 2024 paired with cash flows provided from capital appropriations of \$255,000.

Investing activities include the purchases, sales, and maturities of investments as well as investment income. Cash provided by this activity totaled \$18.3 million compared to cash provided by this activity of \$47.8 million in fiscal year 2023. Compared to fiscal year 2023, purchases of investments decreased by \$50.5 million, investment sales and maturities decreased \$65 million, and investment income increased \$2.9 million.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024

Economic Outlook

A strong financial partnership with the State of Illinois is an important component to the University's financial position. State funding sources include direct operating appropriations, special operating appropriations, special funding situation payments to fund University retirees' benefits and payments on-behalf to fund University employees' benefits. State funding in fiscal year 2024 represented 33% of Southern Illinois University's total operating revenues.

The State has appropriated \$219.4 million of direct operating appropriations plus \$7.5 million of special operating appropriations to Southern Illinois University for fiscal year 2025. This represents a 2% increase in direct operating appropriation funding.

In addition to operating funding, the state provides funding support for capital projects. The fiscal year 2020 capital appropriation bill included nearly \$188.4 million of new construction capital funding for Southern Illinois University. These capital funds are scheduled to be released over a 6-year period. In addition, the fiscal year 2024 capital appropriation bill included \$15 million for the construction of a new Center for Health and Athletic Performance at the Edwardsville campus.

Fall 2024 tuition for first time students was held level at \$9,638 for the Carbondale campus and \$9,576 for the Edwardsville campus. In addition, fall 2024 consolidated general student fees remained flat at \$120 per credit hour at the Carbondale campus and \$111.55 per credit hour at the Edwardsville campus.

Enrollment at Southern Illinois University increased from 23,404 in the Fall of 2023 to 23,683 in the Fall of 2024. On September 12, 2024, the University's Board of Trustees approved the fiscal year 2025 operating budget. Fiscal year 2025 revenues are budgeted to increase by 7.4% which includes a 2% increase in state operating appropriation support, a 5% increase in tuition and fees, and a 10.8% increase sales & services. Expenses are budgeted to increase by 6.6% when compared to fiscal year 2024 levels primarily due to approved salary increases and grant spending.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
STATEMENT OF NET POSITION
June 30, 2024

	UNIVERSITY	COMPONENT UNITS
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets:		
Cash and cash equivalents	\$ 74,129,211	\$ 16,706,297
Cash and cash equivalents, restricted	55,026,344	208,468
Short-term investments	17,351,582	43,645,777
Short-term investments, restricted	14,667,533	61,663,628
Unexpended appropriation	808,999	-
Deposits with University	-	9,421,981
Reimbursement due from State Treasurer	2,166,404	-
Accounts receivable, net	67,103,102	27,147,286
Notes receivable, net	1,622,745	-
Leases receivable	507,777	136,085
Accrued interest receivable	348,454	532,313
Due from related organizations	5,962,355	172,771
Inventories	7,153,594	-
Prepaid expenses and other assets	4,176,138	6,015,119
Total Current Assets	251,024,238	165,649,725
Noncurrent Assets:		
Long-term investments	107,073,409	46,474,907
Long-term investments, restricted	75,675,851	243,706,940
Notes receivable, net	3,391,530	2,063
Leases receivable	3,919,005	241,924
Prepaid expenses and other assets	4,036,102	14,961,784
Capital assets, not depreciated	99,801,274	2,596,618
Capital assets, net of depreciation	694,873,514	5,451,440
Total Noncurrent Assets	988,770,685	313,435,676
Deferred outflows of resources	43,327,222	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	1,283,122,145	479,085,401
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Current Liabilities:		
Accounts payable	44,273,122	4,979,915
Accrued interest payable	1,720,287	16,307
Accrued payroll	13,062,998	7,108,596
Accrued compensated absences	4,450,648	-
Revenue bonds payable	17,078,482	-
Certificates of participation	2,062,185	-
Liabilities under capitalized leases and software	15,377,716	213,830
Annuities payable	-	160,940
Accrued liability for self-insurance	1,419,508	-
Liability for OPEB	3,134,134	-
Deposits held for University related organizations	9,421,981	-
Deposits held in custody for others	1,124,121	60,451
Unearned revenue	39,839,060	51,958
Housing deposits	94,601	-
Other accrued liabilities	701,899	-
Due to related organizations	172,771	5,962,355
Total Current Liabilities	\$ 153,933,513	\$ 18,554,352

The accompanying notes are an integral part of this statement.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
STATEMENT OF NET POSITION
June 30, 2024

	UNIVERSITY	COMPONENT UNITS
Noncurrent Liabilities:		
Accrued compensated absences	\$ 43,788,578	\$ -
Revenue bonds payable	119,009,049	-
Certificates of participation	19,669,986	-
Liabilities under capitalized leases and software	49,934,373	1,176,541
Annuities payable	-	1,051,926
Accrued liability for self-insurance	24,926,214	-
Liability for OPEB	74,178,319	-
Federal loan program contributions refundable	3,212,867	-
Housing deposits	115,624	-
Other accrued liabilities	561,873	1,623,595
Deposits held in custody for others	-	2,978,630
Total Noncurrent Liabilities	335,396,883	6,830,692
Deferred inflows of resources	82,938,197	372,513
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	572,268,593	25,757,557
NET POSITION		
Net investment in capital assets	570,564,352	6,657,686
Restricted for:		
Nonexpendable	4,144,172	183,183,188
Expendable		
Capital projects	28,821,777	5,527,815
Debt service	7,266,590	-
Housing Auxiliary System	23,991,451	-
Scholarships, research, instruction and other	29,180,953	129,072,399
Unrestricted	46,884,257	128,886,756
TOTAL NET POSITION	\$ 710,853,552	\$ 453,327,844

The accompanying notes are an integral part of this statement.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended June 30, 2024

	UNIVERSITY	COMPONENT UNITS
REVENUES		
Operating Revenues:		
Student tuition and fees (net of scholarship allowances of \$78,793,253)	\$ 200,833,424	\$ -
Federal grants and contracts	43,101,682	-
State of Illinois grants and contracts	38,877,679	-
Other government grants and contracts	6,652,026	-
Private grants and contracts	22,780,287	-
Sales and services of educational departments	176,512,826	-
Physicians and Surgeons practice plan	68,492,193	-
Patient service revenue (net)	-	157,662,513
Auxiliary enterprises:		
Funded debt enterprises (net of scholarship allowances of \$8,867,066)	81,782,672	-
Other auxiliary enterprises (net of scholarship allowances of \$1,529,728)	11,429,139	-
Other operating revenues	530,208	34,399,812
Total Operating Revenues	650,992,136	192,062,325
EXPENSES		
Operating Expenses:		
Instruction	276,695,217	-
Research	46,365,000	-
Public service	81,491,021	-
Academic support	284,637,055	-
Student services	76,246,874	-
Institutional support	68,828,909	194,222,266
Operation and maintenance of plant	76,699,028	-
Scholarships and fellowships	57,260,556	-
Depreciation and amortization	71,683,411	1,158,155
Auxiliary enterprises:		
Funded debt enterprises	68,531,364	-
Other auxiliary enterprises	10,723,002	-
Other operating expenses	-	-
Total Operating Expenses	1,119,161,437	195,380,421
Operating Loss	(468,169,301)	(3,318,096)
NONOPERATING REVENUES (EXPENSES)		
State appropriations	222,276,756	-
Gifts and contributions	15,510,487	13,748,460
Investment income	18,134,586	39,685,719
Grants and contracts	78,448,172	-
Interest on capital asset-related debt	(4,798,620)	-
Accretion on bonds payable	(1,634,366)	-
University related organizations	(11,726)	-
Special funding situation for fringe benefits	34,818,516	-
Benefit payments on behalf of the University	94,678,947	-
Other nonoperating revenues	3,622,704	(2,015,341)
Net Nonoperating Revenues	\$ 461,045,456	\$ 51,418,838

The accompanying notes are an integral part of this statement.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended June 30, 2024

	UNIVERSITY	COMPONENT UNITS
Gain (Loss) Before Other Revenues	\$ (7,123,845)	\$ 48,100,742
Other Revenues:		
Capital state appropriations	26,502,019	-
Additions to permanent endowments	-	12,739,971
Capital grants and gifts	322,577	-
Total Other Revenues	26,824,596	12,739,971
Increase in Net Position	19,700,751	60,840,713
NET POSITION		
Net position at beginning of year	691,152,801	392,487,131
Net position at end of year	\$ 710,853,552	\$ 453,327,844

The accompanying notes are an integral part of this statement.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2024

	UNIVERSITY	COMPONENT UNITS
Cash Flows from Operating Activities		
Tuition and fees	\$ 230,346,483	\$ -
Grants and contracts	106,330,662	-
Sales and services of educational activities	169,296,421	-
Physicians and Surgeons	65,523,953	-
Auxiliary enterprise revenues:		
Funded debt	87,914,833	-
Other auxiliary	12,885,120	-
Payments for employee salaries and benefits	(643,812,482)	(46,872,740)
Payments to suppliers	(338,908,063)	(135,589,265)
Payments for scholarships and fellowships	(124,585,000)	-
Patient service revenue	-	150,485,573
Direct lending receipts	134,165,576	-
Direct lending payments	(133,687,505)	-
Other operating receipts	140,213,368	25,177,960
Net cash used in operating activities	(294,316,634)	(6,798,472)
Cash Flows from Noncapital Financing Activities		
State appropriations	221,467,757	-
Grants and contracts	78,448,172	-
Loans issued to students	(183,903)	-
Interest earned on loans to students	155,361	-
Collection of loans from students	1,214,668	-
Government repayments for federal loan funds	(1,112,988)	-
Payments to annuitants	-	(160,940)
Other	2,493,632	(2,401,906)
Gifts for other than capital purposes	23,501,240	18,570,735
Net cash provided by noncapital financing activities	325,983,939	16,007,889
Cash Flows from Capital and Related Financing Activities		
Capital appropriations	254,730	-
Purchases of capital assets	(43,606,678)	(1,989,286)
Proceeds from capital debt	-	-
Other	1,542,975	(135,139)
Principal paid on capital debt	(19,820,000)	-
Interest paid on capital debt	(5,690,825)	-
Net cash used in capital and related financing activities	(67,319,798)	(2,124,425)
Cash Flows from Investing Activities		
Purchases of investments	(50,499,421)	(59,438,877)
Proceeds from sales of investments and maturities	56,098,706	45,959,615
Investment income	12,683,236	9,410,856
Net cash provided by (used) in investing activities	18,282,521	(4,068,406)
Net increase (decrease) in cash	(17,369,972)	3,016,586
Cash and cash equivalents, beginning of the year	146,525,527	13,898,179
Cash and cash equivalents, end of the year	\$ 129,155,555	\$ 16,914,765

The accompanying notes are an integral part of this statement.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2024

	UNIVERSITY	COMPONENT UNITS
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating Loss	\$ (468,169,301)	\$ (3,318,096)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	71,683,411	1,158,155
Noncash expenditures for the benefit of the University	-	(1,141,766)
Noncash contributions	-	122,366
Budget expended at University	(582,446)	-
Special funding situation for fringe benefits	34,818,516	-
Benefit payments on behalf of the University	94,678,947	-
Direct lending activity	478,070	-
Change in assets and liabilities:		
Accounts receivable (net)	(4,271,023)	(8,224,958)
Reimbursement due from State Treasurer	(305,807)	-
Inventories	(750,470)	-
Prepaid expenses	370,966	(431,622)
Other assets	(32,939,637)	(48,908)
Accounts payable	11,582,540	1,965,893
Accrued payroll	3,998,208	2,398
Unearned revenue	(1,997,478)	(14,901)
Compensated absences	571,012	-
Deposits held for others	(80,398)	8,527
Other liabilities	(176,794)	18,937
Due to/from related organizations	(3,224,950)	3,105,503
Net cash used in operating activities	\$ (294,316,634)	\$ (6,798,472)
Noncash investing, capital and financing activities:		
Special funding situation for fringe benefits	\$ 34,818,516	\$ -
Benefit payments on behalf of the University	94,678,947	-
Accretion on bonds payable	(1,634,366)	-
Gifts in kind	322,577	-
Capital assets in accounts payable	297,983	-
Capital asset acquisition by CDB	27,463,107	-
Loss on disposals of capital assets	6,458,395	2,758
Other capital asset adjustments	(1,475,768)	-

The accompanying notes are an integral part of this statement.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
STATEMENTS OF FIDUCIARY NET POSITION
As of and for the Year Ended June 30, 2024

STATEMENT OF NET POSITION

	CUSTODIAL FUNDS
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 1,844,981
Accounts receivable, net	85,817
Other assets	34,391
Total Current Assets	1,965,189
TOTAL ASSETS	1,965,189
 LIABILITIES	
Current Liabilities:	
Accounts payable	19,126
Deposits held for others	507,811
Other liabilities	47,432
Total Current Liabilities	574,369
TOTAL LIABILITIES	574,369
 RESTRICTED NET POSITION	 \$ 1,390,820

STATEMENT OF CHANGES IN REVENUE, EXPENSES AND CHANGES IN NET POSITION

	CUSTODIAL FUNDS
ADDITIONS	
Fees and deposits	\$ 57,033
Interest income	13,456
Contributions	3,989,938
Other additions	762
Total Additions	4,061,189
 DEDUCTIONS	
Administrative expenses	40,582
Scholarships	4,025,673
Total Deductions	4,066,255
 Decrease in Fiduciary Net Position	 (5,065)
 NET POSITION	
Net position at beginning of year	1,395,885
Net position at end of year	\$ 1,390,820

The accompanying notes are an integral part of this statement.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 1 - The Financial Reporting Entity and Discretely Presented Component Unit Disclosures

Southern Illinois University (the University), a component unit of the State of Illinois, conducts education, research, public service, and related activities principally at its two campuses. One is in Carbondale and includes the School of Medicine in Springfield. The other is in Edwardsville and includes the School of Dental Medicine in Alton and the East St. Louis Center. The governing body of the University is the Board of Trustees of Southern Illinois University (the Board). As required by accounting principles generally accepted in the United States of America, these financial statements present the financial position and financial activities of the University (the primary unit) and its component units as well as certain activities and expenditures funded by other State agencies on behalf of the University or its employees. The component units discussed below are included in the University's financial reporting entity because of the significance of their financial relationship with the University.

The component units column in the financial statements includes the financial data of the University's discretely presented component units which consist of the following nine entities: the Southern Illinois University Foundation (at Carbondale) ("SIUC Foundation"), the Southern Illinois University at Edwardsville Foundation ("SIUE Foundation"), the Association of Alumni, Former Students and Friends of Southern Illinois University, Inc. ("SIUC Alumni"), the Alumni Association of Southern Illinois University at Edwardsville ("SIUE Alumni"), University Park, Southern Illinois University at Edwardsville, Inc. ("SIUE University Park"), Southern Illinois Research Park, Inc., Carbondale ("SIUC Research Park"), SIU Physicians & Surgeons, Inc. ("SIU Physicians & Surgeons"), SIUE East St. Louis Charter School ("SIUE Charter School") and SIU Dental Associates, Southern Illinois University at Edwardsville ("SIU Dental Associates"). The University's component units are reported in a separate column to emphasize that they are Illinois non-profit organizations legally separate from the University. These entities are Component Units as defined under University Guidelines adopted by the State of Illinois Legislative Audit Commission in 1982 and most recently amended in 2022.

SIUC and SIUE Foundations were formed for the purpose of providing fundraising and other assistance to the University to attract private gifts to support the University's education, research, and public service goals. In this capacity, they solicit, receive, hold, and administer gifts for the benefit of the University. Complete financial statements for SIUC and SIUE Foundations may be obtained by writing: Southern Illinois University Foundation (at Carbondale), MC 6805, 1235 Douglas, Carbondale, IL 62901-6805 and Southern Illinois University at Edwardsville Foundation, Edwardsville, IL 62026-1082.

The SIUC and SIUE Alumni were formed to promote the general welfare of the University and to encourage and stimulate interest among students, former students, and others in the University's programs. In this capacity, they offer memberships to former students, conduct various activities for students and alumni, and publish periodicals for the benefit of the alumni. Complete financial statements for SIUC and SIUE Alumni may be obtained by writing: The Association of Alumni, Former Students and Friends of Southern Illinois University, Inc., MC 6809, Woody Hall, Carbondale, IL 62901-6809 and The Alumni Association of Southern Illinois University at Edwardsville, Southern Illinois University, Edwardsville, IL 62026-1031.

SIUE University Park was formed for the purpose of providing such management, administrative, and other services as deemed essential to the operation and development of the University Park facility. Complete financial statements for the University Park may be obtained by writing: University Park, Southern Illinois University at Edwardsville, Inc., Southern Illinois University, Edwardsville, IL 62026-1333.

SIUC Research Park was formed to promote high technology and knowledge-based enterprise development within Carbondale and southern Illinois. Complete financial statements for the Research Park may be obtained by writing: Southern Illinois Research Park, 150 East Pleasant Hill Road, Carbondale, IL 62901-6891.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

**NOTE 1 - The Financial Reporting Entity and Discretely Presented Component Unit Disclosures
(continued)**

Physicians & Surgeons, d/b/a SIU HealthCare, was formed to aid in the education and training of medical students, residents, fellows, and physicians for the delivery of cost-effective, high-quality patient care and to conduct medical and other scientific investigations. Complete financial statements for SIU Physicians & Surgeons, Inc. may be obtained by writing: SIU Physicians & Surgeons, Inc., SIU School of Medicine, P.O. Box 19606, Springfield, IL 62794-9606.

SIUE Charter School was formed for both educational and charitable purposes and includes, but is not limited to, the establishment and operation of one or more charter school campuses in the city of East St. Louis pursuant to the Illinois Charter Schools Law. Complete financial statements for the Charter School may be obtained by writing: SIUE East St. Louis Charter School, 125 Peck Service Road, Campus Box 1049, Edwardsville, IL 62026-1049.

SIU Dental Associates was formed to support, through the School of Dental Medicine, the educational, research, and public service missions of Southern Illinois University, aid in the education and professional training of students enrolled in the School of Dental Medicine, and to provide a reasonable and proportionate share of charitable dental care to persons in the communities serviced by the School of Dental Medicine. Complete financial statements for SIU Dental Associates may be obtained by writing: SIUE Dental Associates, c/o SIU School of Dental Medicine, 2800 College Avenue, Building 273, Alton, IL 62002.

The University is a component unit of the State of Illinois for financial reporting purposes. The financial balances and activities included in these financial statements are, therefore, also included in the State's Annual Comprehensive Financial Report.

NOTE 2 - Significant Accounting Policies

University basis of presentation

The financial statements of the University have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

For financial reporting purposes, the University is considered a special-purpose government engaged only in business-type activities and fiduciary activities. Accordingly, the University's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation to pay has been incurred. All significant intra-agency transactions have been eliminated.

The University reports fiduciary activities, as defined in GASB Statement No. 84, Fiduciary Activities, in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position prepared using the economic resources measurement focus and accrual basis of accounting.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities; the disclosure of contingent assets and liabilities at the date of the financial statements; and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 2 - Significant Accounting Policies (continued)

Component units basis of presentation

The financial statements of SIUE University Park, SIUC Research Park, SIU Physicians & Surgeons, SIUE Charter School, and SIU Dental Associates comply with the Governmental Accounting Standards Board (GASB) presentation format as described above.

The SIUC and SIUE Foundations and SIUC and SIUE Alumni are private nonprofit organizations that follow Financial Accounting Standards Board (FASB) standards for financial statement presentation. As such, certain revenue recognition criteria and other accounting rules are different from the revenue recognition criteria and accounting rules promulgated by the Governmental Accounting Standards Board (GASB) that the University follows. Consequently, reclassifications have been made to convert their statements to the GASB format for inclusion in the Component Units' column in the financial statements.

Cash and cash equivalents

Cash deposits and cash equivalents of the University include bank accounts, money market funds and investments with original maturities of ninety days or less at the time of purchase. The Illinois Funds is considered a cash equivalent. The University has recorded restricted cash and cash equivalents which relate to funds restricted for segment reporting operations, self-insurance, and other restricted purposes.

Allowance for uncollectibles

The University provides allowances for uncollectible accounts and notes receivable based upon management's best estimate of uncollectible accounts and notes at the statement of net position date, considering type, age, collection history of receivables, and any other factors as considered appropriate. The University's accounts receivable and notes receivable are reported net of allowances of \$21,072,984 and \$436,144, respectively, at June 30, 2024.

Inventories

Except for the Textbook Rental Service at the Edwardsville campus, inventories are stated at the lower of cost or market. Cost is determined principally by the average cost method or the first-in, first-out method, depending on the type of inventory. The rental books are recorded net of depreciation with the related expense reported as operating expense.

Leases and software subscriptions

The University is a lessee for noncancelable leases of office and instructional space as well as equipment and broadcasting tower space. The University recognizes a lease liability and an intangible right-of-use lease asset with an initial value of \$10,000 or more in the financial statements. The University obtains the right to use vendors' information technology software through various long-term contracts. A liability and an intangible right-of-use subscription asset is recognized on the Statement of Net Position for these types of subscriptions that have an initial value of \$25,000 or more. At the commencement of a lease or subscription, the University initially measures the liability at the present value of payments expected to be made during the term of the lease or subscription. Subsequently, the liability is reduced by the principal portion of payments made. The lease or subscription asset is initially measured as the initial amount of the liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the asset is amortized on a straight-line basis over its useful life. The University generally uses its estimated incremental borrowing rate as the discount rate for leases and subscriptions. Lease assets and subscription assets are reported with other capital assets and liabilities related to leases and subscriptions are reported with long-term debt on the statement of net position. The University is also a lessor for noncancelable leases including land, buildings primarily for economic development, and other assets. For these leases, a lease receivable and deferred inflow of resources is recognized on the Statement of Net Position.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 2 - Significant Accounting Policies (continued)

Capital assets

Capital assets are recorded at cost at the date of acquisition or fair market value at the date of donation in the case of gifts. The University's capitalization policy for capital assets is as follows: infrastructure \$1,000,000 or greater; buildings \$100,000 or greater; intangible assets \$100,000 or greater; site or building improvements \$25,000 or greater; right to use software assets \$25,000 or greater; right to use leased assets \$10,000 or greater; and equipment and library books \$5,000 or greater. Renovations to buildings that significantly increase the value or extend the useful life of the asset are capitalized. Routine repairs and maintenance are charged to operating expense in the year incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 40 years for buildings, 20 years for infrastructure, 15 years for site or building improvements, and seven to 20 years for intangible assets. Vehicles and electronic data processing equipment are depreciated over 5 years. Other equipment and books are depreciated over 7 years. Land, works of art, and historical treasures are deemed inexhaustible and are not depreciated. Right to use leased assets are amortized over the shorter of the estimated life of the class of capital asset or the lease term using straight-line method. Subscription-based information technology arrangements (SBITAs) are amortized over the subscription term using straight-line method. The "following-month" prorate convention is used, in which no depreciation is recorded in the month of acquisition and an entire month of depreciation is recorded in the month of disposition.

Deferred outflows of resources and deferred inflows of resources

In addition to assets and liabilities, the Statement of Net Position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an expense until that time. The University's deferred outflows of resources are related to unamortized debt refundings, other post-employment benefit contributions, and retirement contributions. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as revenue until that time. The University's deferred inflows of resources are related to other post-employment benefits and lease receivables. See Note 6 and Note 13 for more information related to deferred outflows and inflows of resources.

Pensions

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the plan net position of the State Universities Retirement System (SURS) and additions to/deductions from SURS' plan net position have been determined on the same basis as they are reported by SURS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For financial reporting purposes, the State of Illinois and its public universities and community colleges are under a special funding situation. A special funding situation exists when a non-employer entity (the State) is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity (the University) and the non-employer (the State) is the only entity with a legal obligation to make contributions directly to a pension plan. The University recognizes its proportionate share of the State's pension expense relative to the University's employees as non-operating revenue and pension expense, with the expense further allocated to the related function performed by the employees.

SOUTHERN ILLINOIS UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 2 - Significant Accounting Policies (continued)

Other post-employment benefits (OPEB)

The State Employees Group Insurance Act of 1971 (SEGIA) (5 ILCS 375), as amended, authorizes the State Employees Group Insurance Program (SEGIP), which includes activity for both active employees and retirees, to provide health, dental, vision, and life insurance benefits as a single-employer defined benefit OPEB plan not administered as a trust. Substantially all State and university component unit employees become eligible for these OPEB plan benefits when they become annuitants of one of the State sponsored pension plans. The State of Illinois Department of Central Management Services (CMS) administers these benefits for the annuitants with the assistance of the public retirement systems sponsored by the State, including the General Assembly Retirement System (GARS), Judges Retirement System (JRS), State Employees Retirement System (SERS), Teachers' Retirement System (TRS), and SURS.

In order to fund SEGIP's pay-as-you-go obligations for both current employees and retirees, SEGIA (5 ILCS 375/11) requires contributions based upon total employee compensation paid from any State fund or university component unit, except the university component units shall not be required to make contributions for employees who are totally compensated from each individual university's Income Fund and auxiliary funds. Pursuant to a long-standing State policy, the State's General Fund covers the contributions for employees who are totally compensated from each individual university's Income Fund and auxiliary funds. This relationship may be modified through the enactment of a Public Act by the State's highest level of decision-making authority exercised by the Governor and the General Assembly pursuant to the State's Constitution.

Given the preceding environment, the University has two separate components of OPEB administered within SEGIP. The (1) State of Illinois and its public universities are under a special funding situation for employees paid from the University's Income Fund or auxiliary funds, while (2) the University is responsible for OPEB employer contributions for employees paid from trust, federal, and other funds.

Special Funding Situation Portion of OPEB

A special funding situation exists when a non-employer entity (the State) is legally responsible for making contributions directly to an OPEB plan that is used to provide OPEB to the employees of another entity (the University) and the non-employer (the State) is the only entity with a legal obligation to make contributions directly to an OPEB plan.

During the OPEB measurement period ended June 30, 2023, the University made a voluntary appropriation repayment from either its State appropriation or locally-held resources that was not considered a contribution of \$2,273,615 to help offset the amount the State needed to provide for retirees under the special funding situation described in the preceding paragraph.

The University recognizes the proportionate share of the State's OPEB expense relative to the University's employees as non-operating revenue and OPEB expense, with the expense further allocated to the related function performed by the employees.

University's Portion of OPEB

The University reports a liability, expense allocated to the related function performed by the employees, and related deferred inflows and outflows of resources for OPEB based on the University's proportionate share of amounts paid to SEGIP pursuant to SEGIA for its employees paid from trust, federal, and other funds compared to the collective amounts paid to SEGIP pursuant to SEGIA. The collective amounts paid to SEGIP pursuant to SEGIA includes (1) payments from State agencies for State employees, (2) the amount calculated by CMS to

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 2 - Significant Accounting Policies (continued)

represent the amount paid by the General Fund related to the special funding situation, (3) the total voluntary appropriation repayment from all of the universities, and (4) the total of all payments from the universities for employees paid from trust, federal, and other funds. This methodology has been determined by the State to be the best estimate of how future OPEB payments will be determined.

Deferred inflows and outflows of resources are recognized in OPEB expense at the beginning of the current period, using a systematic and rational method over a closed period, equal to the average expected remaining service lives of all employees, either active or inactive, provided with OPEB through SEGIP, determined as of the beginning of the measurement period.

On-Behalf Transactions

The University had outside sources of financial assistance provided by the State of Illinois during the year ended June 30, 2023.

Substantially all active employees participate in group insurance plans provided by the State and administered by CMS, primarily providing healthcare benefits. In order to fund SEGIP's pay-as-you-go obligations for both current employees and retirees, SEGIA (5 ILCS 375/11) requires contributions based upon total employee compensation paid from any State fund or university component unit, except the university component units shall not be required to make contributions for employees who are totally compensated from each individual university's Income Fund and auxiliary funds. Pursuant to a long-standing State policy, the State's General Fund covers the contributions for employees who are totally compensated from each individual university's Income Fund and auxiliary funds. This relationship may be modified through the enactment of a Public Act by the State's highest level of decision-making authority exercised by the Governor and the General Assembly pursuant to the State's Constitution.

During the year ended June 30, 2024, total estimated group insurance contributions for the University's employees paid from the University's Income Fund and auxiliary funds were \$99,722,226. The University made a voluntary appropriation repayment from either its State appropriation or locally-held resources that was not considered a contribution of \$5,043,279 to help offset the amount the State needed to provide for current employees under the situation described in the preceding paragraph. As such, the State contributed the estimated remaining balance of \$94,678,947 on-behalf of the University to meet this obligation for current employees.

As the University is not legally responsible to pay for the on-behalf support provided by the State, the University recognizes non-operating revenues and operating expenses allocated to the related function performed by the employees within the University's financial statements for its current employees' participation in group insurance.

Classification of revenues and expenses

The University has classified its revenues and expenses as either operating or nonoperating as follows:

Operating: Operating revenues and expenses include activities that have the characteristics of exchange transactions, such as student tuition and fees, sales and services of educational departments, sales and services of auxiliary enterprises, and most grants and contracts. The majority of the University's expenses are operating expenses.

Nonoperating: Nonoperating revenues and expenses include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other sources and uses that are defined as nonoperating by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, such as state appropriations, investment income, and federal student aid programs. Appropriations made to the University from the State of Illinois are recognized as non-

SOUTHERN ILLINOIS UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 2 - Significant Accounting Policies (continued)

operating revenues in the year appropriated to the extent expended. Other nonoperating revenues and expenses include transactions relating to capital and financing activities, noncapital financing activities, and investing activities. Gift and contribution revenue of the Southern Illinois University Edwardsville Foundation is reported as operating revenue in accordance with their audited financial statements.

Tuition and fees are generally recognized as revenues as they are assessed. The portion of summer session tuition and fees applicable to the following fiscal year is considered unearned. Student tuition and fee revenue, and certain other payments recorded as auxiliary enterprises revenue, are net of scholarship discounts and allowances in the Statement of Revenue, Expenses, and Changes in Net Position. Scholarship discounts and allowances are the difference between the charge for tuition and fees, and the amount paid by students or by third parties on the students' behalf. Scholarship discounts and allowances were \$89,190,047 as of June 30, 2024 with \$78,793,253 netted against student tuition and fees and \$10,396,794 netted against auxiliary enterprise revenue.

The University first applies resources in restricted net position when an expense or outlay is incurred for purposes for which resources in both restricted and unrestricted net positions are available.

Restricted grant revenues from external sources are recognized to the extent of related expenditures on the accrual basis.

Compensated absences

Accrued compensated absences for University personnel are charged to current funds based on earned but unused vacation and sick leave days including the University's share of Social Security and Medicare taxes. At June 30, 2024, the University estimates \$26,725,505 will be paid from state appropriated accounts funded by the State of Illinois and the Income Fund, and \$21,513,721 from local funds in subsequent years for a combined total of \$48,239,226.

Classification of Net Position

Net position represents the difference between University assets and deferred outflows and liabilities and deferred inflows and is divided into three major categories. The first category, net investment in capital assets, represents the University's equity in property, plant, equipment and right to use leased assets. The next asset category is restricted net position. Expendable restricted net position is available for expenditure by the University, but must be spent for purposes as determined by donors or other external entities that have placed time or purpose restrictions on the use of the assets.

The June 30, 2024 expendable restricted balances are primarily restricted for capital projects, debt service, and the Housing Auxiliary System. There are also other restrictions for scholarships, research, instruction, student loans, and other purposes. The final category is unrestricted net position, which represents balances from operational activities that have not been restricted by parties external to the University and are available for use by the University. The University first applies restricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Fiduciary Activity

The University records amounts held in fiduciary capacity for others. These amounts are not used to operate the University's programs. The University maintains restricted scholarship funds as well as agency funds for various third parties not directly related to University business. The University's business type activities may report assets with a corresponding liability that otherwise might be reported in a custodial fund in the statement of net position if the business type activity of those assets, upon receipt, are normally expected to be held for three months or less. The primary activity includes direct loans.

SOUTHERN ILLINOIS UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 2 - Significant Accounting Policies (continued)

New Governmental Accounting Standards

The Governmental Accounting Standards Board (GASB) has issued the following statements which are effective for periods beginning July 1, 2023, or later which may impact the University:

Statement No. 101 – *Compensated Absences*, enhances information needs of financial statement users by updating the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. The statement is effective for fiscal years beginning after December 15, 2023. The impact on the University is being reviewed.

Statement No. 102 – *Certain Risk Disclosures*, requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The statement is effective for fiscal years beginning after June 15, 2024. The impact on the University is being reviewed.

Statement No. 103 – *Financial Reporting Model Improvements*, requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Additionally, this Statement emphasizes that the analysis provided in MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that “boilerplate” discussions should be avoided by presenting only the most relevant information, focused on the primary government. The statement is effective for fiscal years beginning after June 15, 2025. The impact on the University is being reviewed.

Statement No. 104 – *Disclosure of Certain Capital Assets*, requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. The statement is effective for fiscal years beginning after June 15, 2025. The impact on the University is being reviewed.

NOTE 3 - Cash, Deposits and Cash Equivalents

At June 30, 2024, the actual bank balances related to the deposits of the University amounted to \$139,858,205; of this balance, \$113,700,449 was either covered by federal depository insurance or not required to be collateralized and \$26,157,756 was covered by collateral held by an agent in the University's name. Cash, deposits and cash equivalents at June 30, 2024 were:

SOUTHERN ILLINOIS UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 3 - Cash, Deposits and Cash Equivalents (continued)

<u>UNIVERSITY:</u>	
Cash and cash equivalents	\$ 40,523,662
The Illinois Funds	<u>88,631,893</u>
Total cash and cash equivalents	<u>\$ 129,155,555</u>
<u>COMPONENT UNITS:</u>	
Total cash and cash equivalents	<u>\$ 16,914,765</u>
<u>FIDUCIARY ACTIVITIES:</u>	
Total cash and cash equivalents	<u>\$ 1,844,981</u>

NOTE 4 - Investments

University investment policy

It is University policy to invest funds in a manner which will provide investment returns and security consistent with good business practices, while meeting the daily cash flow demands of the University and conforming to all statutes governing the investments of funds. Funds are invested in accordance with the provisions of the Illinois Compiled Statutes, Chapter 30, Sections 235/0.01 – 235/8, the *Public Funds Investment Act*; the policies of the Board; and covenants provided from the University’s bond and certificate of participation issuance activities. The University’s Investment Policy authorizes the University to invest in securities of the United States of America, its agencies, and its instrumentalities; interest bearing savings accounts, certificates of deposit, interest bearing time deposits, and other direct obligations of any bank defined in the Illinois Banking Act; certain obligations of U.S. corporations rated in the three highest rating classifications by at least two standard rating services provided: the issuing entity has at least \$500 million in assets; such purchases do not exceed 10% of the corporation’s outstanding obligations; no more than one-third of the University’s funds may be invested in short-term obligations that mature within 270 days or less from the settlement date; and, no more than one-third of the University’s funds may be invested in long-term obligations of corporations that mature in more than 270 days but less than three years from the date of settlement; money market mutual funds provided they are comprised of only U.S. Treasuries, agencies and instrumentalities; Public Treasurer’s Investment Pool-State Treasurer’s Office; repurchase agreements of Government securities; and other specifically defined repurchase agreements. The University has recorded restricted investments which relate to pooled investments related to segment reporting and retirement of indebtedness.

The three basic objectives of the University’s investment policy are safety of invested funds; maintenance of sufficient liquidity to meet cash flow needs; and attainment of the maximum investment returns possible consistent with the first two objectives. The University ensures the safety of its invested funds by limiting credit and interest rate risks. The University’s portfolio is structured to ensure that cash is available to meet anticipated demands.

Additionally, since all possible cash demands cannot be anticipated, the portfolio consists largely of securities with active secondary or resale markets. The investment returns on the University’s portfolio is a priority after the safety and liquidity objectives have been met. Investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

University investments

Investments are reported at fair value. The fair value is determined to be the amount, usually quoted market prices, at which financial instruments could be exchanged in a current transaction between willing partners. The investment

SOUTHERN ILLINOIS UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 4 - Investments (continued)

with the Public Treasurer’s Investment Pool-State Treasurer’s Office is at amortized cost, which is the same value as the pool shares. State statutes require the Illinois Funds to comply with the *Illinois Public Funds Investment Act* (30 ILCS 235). The Illinois Funds is not registered with the Securities Exchange Commission as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Accounting and Financial Reporting for Certain External Investment Pools and Pool Participants*, which establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. For the year ended June 30, 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemptions gates. Also, certain money market investments and non-negotiable certificates of deposit with redemption terms that do not consider market rates are carried at amortized cost.

The calculation of realized gains is independent of the calculation of the net increase in the fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year.

The University has pooled its operating cash for investment purposes to provide for efficiencies and economies in their management. Proceeds related to revenue bond and certificate of participation financing activities are pooled to the extent allowed under their covenants.

Restricted funds that are invested in the pool are presented as restricted cash or investments based on the ratio of cash and investments held in the pool. Investment income earned on the operating cash and investments, including realized gains and losses resulting from the sale or other disposition of investments, is distributed on a quarterly basis to the pooled participants based upon their respective aggregate balances over the prior three-month period.

PFM Asset Management, LLC manages the external portfolios, while U.S. Bank keeps custody of these funds and assists in the accounting and reporting functions related to these investments.

Investment income net of realized and unrealized gains and losses on investments for the year ended June 30, 2024 is reflected below:

<u>UNIVERSITY:</u>	
Interest earnings	\$ 15,997,149
Realized loss on investments	(2,219,857)
Unrealized gain on investments	<u>4,357,294</u>
Net investment gain	<u>\$ 18,134,586</u>
<u>COMPONENT UNITS:</u>	
Interest earnings	\$ 8,996,799
Realized gain on investments	4,312,463
Unrealized gain on investments	<u>26,376,457</u>
Net investment gain	<u>\$ 39,685,719</u>
<u>FIDUCIARY ACTIVITIES:</u>	
Fiduciary interest earnings	<u>\$ 13,456</u>

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 4 - Investments (continued)

University risk disclosures

Credit risk: Credit risk is the risk of loss due to the failure of the security issuer or backer to meet promised interest or principal payments on required dates. Credit risk is mitigated by limiting investments to those specified in the *Illinois Public Funds Investment Act*, which prohibits investment in corporate bonds with maturity dates longer than 3 years from the date of purchase; pre-qualifying the financial institutions which are utilized; and diversifying the investment portfolio so that the failure of any one issue or backer will not place an undue financial burden on the University. U.S. Treasuries are federal government securities that do not require the disclosure of credit risk. The U.S. Agencies include the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association and the Federal Home Loan Bank, all of which are rated AA or higher. The Public Treasurer's Investment Pool is rated AAmmf.

Concentration of credit risk: The University's investment policy states that the portfolio should consist of a mix of various types of securities, issues and maturities. While the fund's asset allocation strategy provides diversification by fixed income sector, each portfolio within the sector is also broadly diversified by security type, issue and maturity.

Custodial credit risk: Custodial credit risk is the risk that when, in the event a financial institution or counterparty fails, the University would not be able to recover value of deposits, investments or collateral securities that are in the possession of an outside party. All of the University's investments are held in the University's name and are not subject to creditors of the custodial institution.

Interest rate risk: Interest rate risk is the risk that the market value of portfolio securities will fall or rise due to changes in general interest rates. Interest rate risk is mitigated by maintaining significant balances in cash equivalent and other short maturity investments and by establishing an asset allocation policy that is consistent with the expected cash flows of the University. Revenue Bond System funds are managed in accordance with covenants provided from the University's debt issuance activities.

Foreign currency risk: The University does not hold any foreign investments.

Component Unit investments

As the investments of the University's two Foundations are considered significant to the University's financial statements taken as a whole, the following disclosures are made:

Southern Illinois University Foundation (at Carbondale)

The Foundation financial statements follow Financial Accounting Standards Board (FASB) standards; therefore, the required disclosures differ from GASB requirements. Investments are stated at fair value. Investment activity is recorded on the trade date. The fair value of all debt and equity securities with a readily determinable fair value are based on quotations obtained from national securities exchanges. The alternative investments (hedge funds, limited partnerships and other private equity) for which quoted market prices are not available, are recorded at net asset value (NAV), as a practical expedient, to determine fair value of the investments. Realized gains and losses on sales of investments are determined on the specific identification basis.

Investment securities are exposed to various risks including, but not limited to, interest rate and market and credit risks. Due to the level of risks associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term. Because the hedge funds and limited partnerships are not readily marketable, their estimated fair value is subject to uncertainty and therefore may differ significantly from the values that would have been used had a ready market existed.

SOUTHERN ILLINOIS UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
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NOTE 4 - Investments (continued)

The Foundation maintains pooled investment accounts for its endowments. Investment income and realized and unrealized gains and losses from securities in the pooled investment account are allocated monthly to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the pooled investments accounts, as adjusted for additions to or deductions from those accounts.

Southern Illinois University at Edwardsville Foundation

The long-term objective of the Foundation is to earn a return sufficient to preserve the purchasing power of the Foundation for generations to come, as well as to provide for current needs. As a result, the long-term return objective is the sum of distributions, inflation, administrative costs, and net of management fees. The Foundation portfolio has adopted a "total return" investment approach; current income is considered a secondary consideration. The investment objectives are based upon a long-term investment horizon allowing interim fluctuations to be viewed in an appropriate perspective. Over time, the Foundation will aim to achieve the total fund return goal while maintaining acceptable risk levels. To accomplish this goal, the fund will diversify its assets among several asset classes. Active managers are expected to provide returns greater than or equal to their appropriate benchmark while utilizing acceptable risk levels. Funds are invested in accordance with the approved Board policy for investments. The Foundation's investment policy authorizes the Foundation to invest in U.S. and international equities, fixed income, absolute return, and real assets.

Investment policies and relevant risk disclosures as described in GASB Statement No. 40 applicable to the other Component Units can be obtained by contacting those entities listed in Note 1 on pages 23 and 24.

Investment maturities

Interest rate risk is disclosed below using the segmented time distribution method. As of June 30, 2024, the University and its Component Units had the following investment balances:

UNIVERSITY:

Investment Type:	Investment Maturities (in Years)			
	Fair Value	Less Than 1	1-5	6-10
U.S. Treasuries	\$ 74,479,714	\$ 2,099,288	\$ 46,651,023	\$ 25,729,403
U.S. Agencies	113,940,206	10,164,484	65,538,012	38,237,710
The Illinois Funds	88,631,893	88,631,893	-	-
Corporate Debt	26,348,455	19,755,343	6,593,112	-
Subtotal	303,400,268	\$ 120,651,008	\$ 118,782,147	\$ 63,967,113
Less: Investment in The Illinois Funds reported as cash	(88,631,893)			
Total Investments	\$ 214,768,375			

SOUTHERN ILLINOIS UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 4 - Investments (continued)

COMPONENT UNITS:

Investment Type:	Fair Value	Investment Maturities (in Years)				
		Less Than 1	1-5	6-10	Over 10	No Maturity
Corporate Bonds	\$ 2,261,903	\$ 497,315	\$ 1,764,588	\$ -	\$ -	\$ -
Exchange Traded Funds	16,442,928	13,106,174	-	-	3,336,754	-
U.S. Agencies	46,020,617	21,852,294	5,540,409	16,360,332	2,267,582	-
Municipal Bonds	9,845,494	2,341,280	6,352,248	858,669	293,297	-
Real Estate	7,439,145	7,159,889	279,256	-	-	-
Commodities/Natural Resources	20,344,784	12,658,028	7,686,756	-	-	-
Alternative Investments	33,009,406	13,813,474	19,195,932	-	-	-
Money Market Funds	6,938,502	6,938,502	-	-	-	-
Common Stock	1,053,116	-	-	-	-	1,053,116
Mutual Funds	252,135,357	241,980,163	7,018,817	2,200,000	936,377	-
Total Investments	\$ 395,491,252	\$ 320,347,119	\$ 47,838,006	\$ 19,419,001	\$ 6,834,010	\$ 1,053,116

Fair value measurements

The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. The University and its component units categorize fair values according to the hierarchy established by generally accepted accounting principles.

The hierarchy, based on the valuation inputs used to measure fair values, consists of the following three levels of measurement inputs:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2: Inputs other than quoted prices that are observable, either directly or indirectly. These may include quoted prices for similar assets and liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3: Unobservable inputs for an asset or liability.

The University uses Level 2 inputs to measure the fair value of all investments held except for common stock, which is Level 1. The fair values are provided by both the University's external investment managers as well as the custodian bank.

The University's Foundations also hold "alternative investments" that are valued using the net asset value (NAV) per share (or its equivalent) and, unlike more traditional investments, these do not have readily obtainable market values.

SOUTHERN ILLINOIS UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 4 - Investments (continued)

The Foundation component units had the following recurring fair value measurements as of June 30, 2024:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Net Asset Value</u>
Investments:					
Corporate Bonds	\$ 2,261,903	\$ -	\$ 2,261,903	\$ -	\$ -
Exchange Traded Funds	16,442,928	16,442,928	-	-	-
U.S. Agencies	46,020,617	46,020,617	-	-	-
Municipal Bonds	9,845,494	-	9,845,494	-	-
Real Estate	7,439,145	7,043,145	-	396,000	-
Commodities/Natural Resources	20,344,784	20,344,784	-	-	-
Alternative Investments	33,009,406	33,009,406	-	-	-
Money Market Funds	6,938,502	6,938,502	-	-	-
Common Stock	1,053,116	1,053,116	-	-	-
Mutual Funds	252,135,357	224,395,659	8,282,434	-	19,457,264
Total Investments	<u>\$ 395,491,252</u>	<u>\$ 355,248,157</u>	<u>\$ 20,389,831</u>	<u>\$ 396,000</u>	<u>\$19,457,264</u>

SOUTHERN ILLINOIS UNIVERSITY
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NOTE 5 - Accounts and Notes Receivable

Accounts and notes receivable consisted of the following at June 30, 2024:

UNIVERSITY:

	<u>Accounts Receivable</u>	<u>Notes Receivable</u>
Student tuition and fees	\$ 12,308,978	\$ -
Auxiliary enterprises	12,859,992	
Grants and contracts	24,473,199	
General Operating	37,958,540	540,334
Student loans*	51,081	4,910,085
Other accounts receivable	524,296	
	<u>88,176,086</u>	<u>5,450,419</u>
Less: Allowance for doubtful accounts	<u>(21,072,984)</u>	<u>(436,144)</u>
Net receivable	<u>\$ 67,103,102</u>	<u>\$ 5,014,275</u>

*The student loan receivable balance consists of \$3,027,521 of Perkins Loans. Effective September 30, 2017, the federal government discontinued the Perkins Loan Program.

COMPONENT UNITS:

	<u>Accounts Receivable</u>	<u>Notes Receivable</u>
Accounts receivable	\$ 87,434,654	\$ -
Student loans	-	2,063
	<u>87,434,654</u>	<u>2,063</u>
Less: Allowance for assignment losses and doubtful accounts	<u>(60,287,368)</u>	<u>-</u>
Net receivable	<u>\$ 27,147,286</u>	<u>\$ 2,063</u>

FIDUCIARY ACTIVITIES:

	<u>Accounts Receivable</u>	<u>Notes Receivable</u>
Fiduciary receivable	<u>\$ 85,817</u>	<u>\$ -</u>

NOTE 6 - Deferred Outflows of Resources

Deferred outflows of resources consisted of the following at June 30, 2024:

<u>UNIVERSITY:</u>	
Employer OPEB contributions	\$ 40,112,525
Employer pension contributions	<u>3,214,697</u>
Total deferred outflows of resources	<u>\$ 43,327,222</u>

SOUTHERN ILLINOIS UNIVERSITY
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For the Year Ended June 30, 2024

NOTE 7 - Capital Assets

Capital asset activity for the University for the year ended June 30, 2024 was as follows:

UNIVERSITY:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital assets not being depreciated:					
Land	\$ 22,354,499	\$ 3,401,702	\$ -	\$ -	\$ 25,756,201
Nondepreciable historical treasures and works of art	13,053,830	-	-	-	13,053,830
Construction in progress	23,163,841	44,320,741	172,209	(6,321,130)	60,991,243
Total capital assets not being depreciated	58,572,170	47,722,443	172,209	(6,321,130)	99,801,274
Capital assets being depreciated/amortized:					
Site improvements	100,953,412	7,715,918	-	4,939,391	113,608,721
Buildings	1,442,591,538	1,232,499	-	1,208,565	1,445,032,602
Equipment	244,192,901	14,385,880	5,301,668	173,174	253,450,287
Intangible assets	7,340,787	-	-	-	7,340,787
Right to use assets	80,073,261	36,288,845	12,468,642	-	103,893,464
Infrastructure	21,722,279	-	-	-	21,722,279
Total capital assets being depreciated	1,896,874,178	59,623,142	17,770,310	6,321,130	1,945,048,140
Less accumulated depreciation/amortization for:					
Site improvements	75,319,645	5,022,708	-	-	80,342,353
Buildings	851,583,210	38,208,751	-	-	889,791,961
Equipment	212,446,498	10,320,856	4,733,290	-	218,034,064
Intangible assets	7,340,787	-	-	-	7,340,787
Right to use assets	28,280,638	18,131,096	6,578,625	-	39,833,109
Infrastructure	14,832,352	-	-	-	14,832,352
Total accumulated depreciation	1,189,803,130	71,683,411	11,311,915	-	1,250,174,626
Total capital assets being depreciated, net	707,071,048	(12,060,269)	6,458,395	6,321,130	694,873,514
Capital assets, net	<u>\$ 765,643,218</u>	<u>\$ 35,662,174</u>	<u>\$ 6,630,604</u>	<u>\$ -</u>	<u>\$ 794,674,788</u>

See Note 10 for more details related to right to use assets.

SOUTHERN ILLINOIS UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 7 - Capital Assets (continued)

Capital asset activity for the Component Units for the fiscal year ended June 30, 2024 was as follows:

<u>COMPONENT UNITS:</u>	<u>Beginning</u>				<u>Ending</u>
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance</u>
Capital assets not being depreciated:					
Land	\$ 410,716	\$ -	\$ -	\$ -	\$ 410,716
Construction in progress	728,282	1,457,620	-	-	2,185,902
Total capital assets not being depreciated	1,138,998	1,457,620	-	-	2,596,618
Capital assets being depreciated:					
Site improvements	310,765	-	-	-	310,765
Buildings	2,639,877	-	-	-	2,639,877
Intangible assets	612,380	-	-	-	612,380
Right to use assets	1,834,731	-	-	-	1,834,731
Equipment	8,596,252	532,915	203,644	-	8,925,523
Total capital assets being depreciated	13,994,005	532,915	203,644	-	14,323,276
Less accumulated depreciation for:					
Site improvements	310,765	-	-	-	310,765
Buildings	1,478,108	67,975	-	-	1,546,083
Intangible assets	219,436	61,238	-	-	280,674
Right to use assets	245,544	226,345	-	-	471,889
Equipment	5,660,714	802,597	200,886	-	6,262,425
Total accumulated depreciation	7,914,567	1,158,155	200,886	-	8,871,836
Total capital assets being depreciated, net	6,079,438	(625,240)	2,758	-	5,451,440
Capital assets, net	<u>\$ 7,218,436</u>	<u>\$ 832,380</u>	<u>\$ 2,758</u>	<u>\$ -</u>	<u>\$ 8,048,058</u>

SOUTHERN ILLINOIS UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 8 - Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2024 was as follows:

UNIVERSITY:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Compensated absences	\$ 47,668,214	\$ 4,492,802	\$ 3,921,790	\$ 48,239,226	\$ 4,450,648
Revenue bonds payable	140,341,650	1,634,366	16,470,000	125,506,016	16,309,268
Unamortized bonds premium	11,350,729	-	769,214	10,581,515	769,214
Certificates of participation	24,910,000	-	3,350,000	21,560,000	2,025,000
Unamortized COPS premium	209,355	-	37,185	172,170	37,185
Lease obligations	48,051,406	28,167,729	18,862,373	57,356,762	11,409,710
Software obligations	5,111,534	8,134,115	5,290,322	7,955,327	3,968,006
Other liabilities (financed purchases)	1,129,523	656,854	522,605	1,263,772	701,899
Self insurance	23,950,325	4,239,394	1,843,997	26,345,722	1,419,508
Liability for OPEB	71,224,467	6,087,986	-	77,312,453	3,134,134
Federal loan programs refundable	6,411,990	-	3,199,123	3,212,867	-
Housing deposits	205,125	144,901	139,801	210,225	94,601
Total long-term liabilities	<u>\$ 380,564,318</u>	<u>\$ 53,558,147</u>	<u>\$ 54,406,410</u>	<u>\$ 379,716,055</u>	<u>\$ 44,319,173</u>

COMPONENT UNITS:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Annuities payable	\$ 1,240,677	\$ 341,521	\$ 369,332	\$ 1,212,866	\$ 160,940
Lease obligations	1,287,996	-	106,859	1,181,137	104,176
Software obligations	317,243	-	108,009	209,234	108,009
Other accrued liabilities	1,572,843	50,752	-	1,623,595	-
Deposits held in custody for others	2,891,692	147,389	-	3,039,081	60,451
Total long-term liabilities	<u>\$ 7,310,451</u>	<u>\$ 539,662</u>	<u>\$ 584,200</u>	<u>\$ 7,265,913</u>	<u>\$ 433,576</u>

NOTE 9 - Revenue Bonds Payable

Revenue bonds payable activity for the year ended June 30, 2024:

Series	Annual Maturity To	Beginning Balance	Accretion/ New Debt	Principal Paid/Debt Refunded	Ending Balance	Current Portion
Other Revenue Bonds:						
1999A	2029	\$ 30,491,650	\$ 1,634,366	\$ 6,000,000	\$ 26,126,016	\$ 6,000,000
2012B	2035	10,300,000	-	-	10,300,000	-
2015B	2031	14,070,000	-	2,310,000	11,760,000	2,525,000
2021A	2040	43,935,000	-	4,075,000	39,860,000	4,240,000
2022A	2042	34,310,000	-	2,975,000	31,335,000	2,635,000
Direct Placements of Revenue Bonds:						
2015A	2030	3,965,000	-	620,000	3,345,000	640,000
2019A	2029	3,270,000	-	490,000	2,780,000	510,000
		<u>\$ 140,341,650</u>	<u>\$ 1,634,366</u>	<u>\$ 16,470,000</u>	125,506,016	16,550,000
Other Revenue Bonds:						
						(240,732)
					10,581,515	769,214
Total					<u>\$ 136,087,531</u>	<u>\$ 17,078,482</u>

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For the Year Ended June 30, 2024

NOTE 9 - Revenue Bonds Payable (continued)

University revenue bonds payable:

The Housing and Auxiliary Facilities System Revenue Bonds, Series 1999A were authorized by the University's Board under the Sixth Supplemental Bond Resolution dated May 13, 1999. The bonds mature at varying amounts from 2001 to 2029 with interest ranging from 4.10 to 5.55 percent. They pay no current interest. The University records the annual increase in the principal amount of these bonds as interest expense and accretion on bonds payable.

The Housing and Auxiliary Facilities System Revenue Bonds, Series 2012B were authorized by the University's Board under the Fifteenth Supplemental Bond Resolution approved November 8, 2012. The bonds in Series 2012B-1 mature at varying amounts from 2013 to 2035 with interest ranging from 1.00 to 5.00 percent. Interest payments are due semi-annually. A portion of the bonds were used to advance refund certain 2003A and 2004A bonds, which was undertaken by the Board to affect a cost savings, resulted in a net decrease in debt service payments of \$6,293,473. The bonds in Series 2012B-2 mature at \$5,365,000 in 2035 with interest of 4.40 percent. Interest payments are due semi-annually. On April 28, 2022, the Board authorized the refunding of a portion of the Series 2012B-1 current interest bonds. Bonds maturing 2023 through 2032 in the amount of \$19,105,000 were refunded. Bonds maturing 2033 through 2035 in the amount of \$4,935,000 were not refunded.

The Housing and Auxiliary Facilities System Revenue Bonds, Series 2015A were authorized by the University's Board under the Sixteenth Supplemental Bond Resolution approved March 19, 2015. The bonds in Series 2015A mature at varying amounts from 2016 to 2030 with an interest rate of 2.85 percent. Interest payments are due semi-annually.

The Housing and Auxiliary Facilities System Revenue Bonds, Series 2015B were authorized by the University's Board under the Seventeenth Supplemental Bond Resolution approved July 16, 2015. The bonds mature at varying amounts from 2016 to 2031 with an interest ranging from 3.00 to 5.00 percent. Interest payments are due semi-annually. The bonds were used to advance refund a portion of the 2006A bonds, which was undertaken by the Board to affect a cost savings, resulted in a \$16,292,964 net decrease in debt service payments, an economic gain of \$3,417,083 and an accounting loss of \$452,331.

The Housing and Auxiliary Facilities System Revenue Bonds, Series 2019A were authorized by the University's Board under the Eighteenth Supplemental Bond Resolution approved on March 28, 2019. The bonds mature at varying amounts from 2020 to 2029 with an interest rate of 4.35 percent. Interest payments are due semi-annually.

The Housing and Auxiliary Facilities System Refunding Revenue Bonds, Series 2021A were authorized by the University's Board under the Nineteenth Supplemental Bond Resolution approved on April 29, 2021. On June 1, 2021, the University issued the bonds in the par amount of \$49,075,000. The Series 2021A refunding bonds mature at varying amounts from 2022 to 2040 with interest ranging from 4.00 to 5.00 percent. Interest payments are due semi-annually. On June 2, 2021, proceeds of the Series 2021A refunding bonds were used to current refund all of the outstanding Series 2012A and Series 2009A bonds, and a portion of the Series 2008A bonds. The refunding transaction extended the final maturity of the refunded bonds to April 1, 2040. The refunding resulted in a net decrease in debt service payments of \$3,640,327, net present value savings of \$5,945,013 and an accounting gain of \$345,899. The Nineteenth Supplemental Resolution includes as Appendix A the Amended and Restated Bond Resolution which supersedes the Original Resolution effective July 1, 2021.

The Housing and Auxiliary Facilities System Revenue Bonds, Series 2022A were authorized by the University's Board under the First Supplemental System Revenue Bond Resolution approved on April 28, 2022. On July 21, 2022, the University issued the bonds in the par amount of \$37,130,000. The Series 2022A bonds mature at varying amounts from 2023 to 2042 with an interest rate of 5.00 percent. Interest payments are due semi-annually. A portion of the bonds were used to refund the HAFS Series 2012B-1 bonds with maturities from 2023 to 2032 and resulted in net present value savings of \$599,156.

SOUTHERN ILLINOIS UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 9 - Revenue Bonds Payable (continued)

Housing and Auxiliary Facilities System: These bonds, which are payable through 2042, do not constitute a debt of the State of Illinois or the individual members, officers or agents of the Board of Trustees of the University but, together with interest thereon, are payable from and secured by a pledge of and lien on (i) the net revenues of the System, (ii) pledged tuition in an amount not to exceed maximum annual debt service (subject to prior payment of operating and maintenance expenses of the System), (iii) the Bond and Interest Sinking Fund account, and (iv) the Repair and Replacement Reserve account. Unrefunded bonds issued in 2001 and prior are additionally secured by the Debt Service Reserve. Total principal and interest remaining on the debt is \$157,176,900 with annual requirements ranging from \$677,250 to \$20,970,723. For the current year, principal and interest paid was \$21,356,958, and the total revenues pledged were \$200,833,424. For fiscal year 2024, the total revenue pledged represents 100 percent of the net revenues of the System and 100 percent of net tuition revenue received. Although net tuition is pledged, it is not expected to be needed to meet debt service requirements.

Effective July 1, 2021, the Nineteenth Supplemental Bond Resolution expanded the security pledge to include all tuition and fees, subject to the prior payment of operating expenses, and requires that pledged tuition in excess of the maximum annual debt service (MADS) will first be applied to pay required debt service, if any, on the Housing and Auxiliary Facilities System bonds. In addition, the Amended and Restated Bond Resolution increased the debt service coverage on a cash basis from at least 120 to 200 percent of MADS. For the year ended June 30, 2024, the maximum annual debt service was \$20,970,723 and the coverage was 1083 percent. The Amended and Restated Bond Resolution also requires the Treasurer to transfer funds annually to the Renewals and Replacements as have been approved by the Board, from funds remaining in the net revenue funds. The net position of Renewals and Replacements was \$27,797,814 at June 30, 2024.

All of the refunded bonds are considered to be defeased and, accordingly, have been accounted for as if they were retired. As of June 30, 2024, there were no outstanding balances of refunded bonds.

As of June 30, 2024, future debt service requirements for all bonds outstanding are:

UNIVERSITY:

	Other Revenue Bonds		Direct Placement Revenue Bonds		Totals
	Principal	Interest	Principal	Interest	
2025	\$ 15,400,000	4,204,459	\$ 1,150,000	\$ 216,263	\$ 20,970,722
2026	14,985,000	3,776,861	1,040,000	175,837	19,977,698
2027	14,480,000	3,371,360	1,080,000	138,247	19,069,607
2028	15,350,000	2,997,760	1,125,000	99,143	19,571,903
2029	15,455,000	2,582,410	1,160,000	58,380	19,255,790
2029-33	28,400,000	7,353,675	570,000	16,245	36,339,920
2034-38	16,170,000	2,259,960	-	-	18,429,960
2039-43	3,315,000	246,300	-	-	3,561,300
Total payments	\$ 123,555,000	\$ 26,792,785	\$ 6,125,000	\$ 704,115	\$ 157,176,900

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NOTE 10 - Right to Use Assets

The University leases certain assets from various third parties and also has contractual rights to use other party's computer software. The assets leased include office and instructional space as well as equipment and broadcasting tower space. During the year ended June 30, 2024, the University recognized insignificant outflows as a result of variable payments that were properly excluded from the initial measurement of the lease liability.

Lease asset and software activity for the University for the year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Right to use assets being amortized:				
Buildings	66,824,318	25,927,342	9,797,528	82,954,132
Equipment	3,259,849	2,057,588	950,325	4,367,112
Software	9,547,862	8,134,115	1,720,789	15,961,188
Other	441,232	169,800	-	611,032
Total right to use assets being amortized	80,073,261	36,288,845	12,468,642	103,893,464
Less accumulated amortization for:				
Buildings	22,603,102	8,177,373	-	30,780,475
Equipment	1,529,754	23,887	-	1,553,641
Software	4,088,916	3,318,625	-	7,407,541
Other	58,866	32,586	-	91,452
Total accumulated amortization	28,280,638	11,552,471	-	39,833,109
Right to use assets, net	<u>\$ 51,792,623</u>	<u>\$ 24,736,374</u>	<u>\$ 12,468,642</u>	<u>\$ 64,060,355</u>

Lease asset and software activity for the Component Units for the year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Right to use assets being amortized:				
Buildings	1,493,728	-	-	1,493,728
Software	341,003	-	-	341,003
Total right to use assets being amortized	1,834,731	-	-	1,834,731
Less accumulated amortization for:				
Buildings	236,574	118,287	-	354,861
Software	8,970	108,058	-	117,028
Total accumulated amortization	245,544	226,345	-	471,889
Right to use assets, net	<u>\$ 1,589,187</u>	<u>\$ (226,345)</u>	<u>\$ -</u>	<u>\$ 1,362,842</u>

SOUTHERN ILLINOIS UNIVERSITY
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NOTE 10 - Right to Use Assets (continued)

Future principal and interest payment requirements related to the University's lease and software liability at June 30, 2024 are as follows:

	Lease Principal	Software Principal	Lease Interest	Software Interest	Total
2025	\$ 11,409,710	3,968,006	1,664,637	264,478	\$ 17,306,831
2026	9,115,137	2,410,533	1,389,435	148,617	13,063,722
2027	6,352,176	830,909	1,152,567	55,872	8,391,524
2028	6,113,627	745,879	957,733	26,404	7,843,643
2029	4,938,512	-	772,433	-	5,710,945
2030-34	10,348,221	-	2,497,789	-	12,846,010
2035-39	8,895,190	-	825,133	-	9,720,323
2040-44	90,875	-	29,125	-	120,000
2045-49	93,314	-	8,686	-	102,000
Total payments	<u>\$ 57,356,762</u>	<u>\$ 7,955,327</u>	<u>\$ 9,297,538</u>	<u>\$ 495,371</u>	<u>\$ 75,104,998</u>

Future principal and interest payment requirements related to the Component Unit's lease and software liability at June 30, 2024 are as follows:

	Principal	Interest	Total
2025	\$ 213,830	28,411	\$ 242,241
2026	208,845	26,055	234,900
2027	111,609	20,333	131,942
2028	113,998	17,916	131,914
2029	610,744	51,870	662,614
2030-34	131,345	1,820	133,165
Total payments	<u>\$ 1,390,371</u>	<u>\$ 146,405</u>	<u>\$ 1,536,776</u>

The University leases certain assets to various third parties. The assets leased include land, buildings primarily for economic development, and other assets. Payments are generally fixed monthly with certain variable payments not included in the measurement of the lease receivable required such as per transaction ATM revenue.

The University leases an asset as part of a lease-leaseback transaction. The University leases One Enterprise Place to the Southern Illinois Research Park. In turn, the University leases back space in One Enterprise Place for Nurses Aid Testing activities. As of June 30, 2024, the University reported a net lease receivable of \$823,514 related to this lease-leaseback transaction.

During the year ended June 30, 2024, the University recognized \$773,621 of lease revenue and \$147,263 of interest revenue related to its lessor agreements. The University also recognized insignificant inflows from variable payments.

SOUTHERN ILLINOIS UNIVERSITY
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NOTE 11 – Financed Purchases

The University has entered into financed purchase contracts for certain items of equipment. Minimum payments under these financed purchase contracts together with the present value of the net minimum payments are:

<u>Year Ending</u>	
2025	\$ 763,518
2026	333,551
2027	193,648
2028	<u>82,645</u>
Total minimum payments	1,373,362
Less amount representing interest	<u>(109,590)</u>
Present value of net minimum payments	<u><u>\$ 1,263,772</u></u>

Assets held under financed purchases are:

<u>UNIVERSITY:</u>	
Equipment	\$ 3,701,865
Less accumulated amortization	<u>(806,130)</u>
Total net assets	<u><u>\$ 2,895,735</u></u>

NOTE 12 - Certificates of Participation Payable

Series 2014A: On February 13, 2014, the University issued Certificates of Participation (COPS) in the par amount of \$42,995,000. The COPS were issued at a premium of \$1,017,972. The certificates were issued to finance, in combination with University funds, multiple capital improvement projects on the Carbondale campus as well as to refund the outstanding balance of the Series 2004A COPS. The certificates bear interest at rates ranging from 2.00 to 5.00 percent payable semi-annually, and principal installments ranging from \$1,525,000 to \$2,855,000 are payable annually on February 15 beginning 2015 through the year 2034. The current refunding undertaken by the Board to affect a cost savings resulted in a net decrease in debt service payments of \$1,365,042. The financing resulted in an economic gain of \$1,173,843 and an accounting loss of \$330,440. On April 29, 2021, the Board authorized the refunding of a portion of the COPS Series 2014A-1. Certificates maturing 2024, 2025, 2030-2034 in the amount of \$12,290,000 were refunded. The final maturity is February 15, 2029.

Series 2020A: On May 6, 2020, the University issued Certificates of Participation (COPs) in the par amount of \$4,575,000 that were directly placed with INB, National Association. The COPs were issued to finance, in combination with University funds, the construction of the School of Dental Medicine Advanced Care Clinic on the Alton campus. The certificates bear a fixed interest rate of 2.25 percent payable semi-annually, and principal installments ranging from \$420,000 to \$500,000 are payable annually on February 15 beginning 2021 through the year 2030.

Series 2021A: The Series 2021A Certificates of Participation (COPS) were authorized by the University's Board on April 29, 2021. These Direct Placement COPS were sold on May 28, 2021, in the par amount of \$12,395,000. On June 1, 2021, proceeds of the Series 2021A COPS were used to current refund a portion of the Series 2014A-1 COPS. The Series 2021A COPS are structured with a 7-year put on February 15, 2028 and a final maturity of February 15, 2034. The Series 2021A COPS were issued with an interest rate of 2.58 percent through February 15, 2028. Interest payments are due semi-annually. The transaction generated present value savings of \$1,118,749 through the put date and resulted in an accounting gain of \$315,486.

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NOTE 12 - Certificates of Participation Payable (continued)

Annual aggregate principal and interest payments required for subsequent years are:

	Certificates of Participation		Direct Placements of Certificates of Participation		Totals
	Principal	Interest	Principal	Interest	
2025	\$ -	\$ 322,450	\$ 2,025,000	\$ 372,306	\$ 2,719,756
2026	1,580,000	322,450	495,000	321,546	2,718,996
2027	1,645,000	259,250	505,000	310,293	2,719,543
2028	1,725,000	177,000	515,000	298,815	2,715,815
2029	1,815,000	90,750	525,000	287,112	2,717,862
2030-34	-	-	10,730,000	816,210	11,546,210
Total payments	<u>\$ 6,765,000</u>	<u>\$ 1,171,900</u>	<u>\$ 14,795,000</u>	<u>\$ 2,406,282</u>	<u>\$ 25,138,182</u>

NOTE 13 - Deferred Inflows of Resources

Deferred inflows of resources consisted of the following at June 30, 2024:

<u>UNIVERSITY:</u>	
Employer proportionate share of OPEB	\$ 76,842,052
Unamortized debt refundings	1,812,148
Lesser lease agreements	<u>4,283,997</u>
Total deferred inflows of resources	<u>\$ 82,938,197</u>
 <u>COMPONENT UNITS:</u>	
Lesser lease agreements	<u>\$ 372,513</u>

NOTE 14 - Accrued Self-Insurance

The University is exposed to various risks of loss relative to general liability, professional liability, and certain group coverage of student health and life benefits. The University minimizes its exposure through a combination of risk reduction and self-insurance programs, as well as primary and excess insurance coverage with commercial carriers.

The general and professional liability self-insurance fund provides for comprehensive general and professional liability coverage. The University also purchases excess insurance coverage with commercial carriers for claims that may result in catastrophic losses. The University makes contributions to the general and professional liability self-insurance fund based on yearly actuarial analysis. The actuarial analysis for 2024 included a 1.00 percent discount rate for self-insurance liabilities.

As of June 30, 2024, the accrual for self-insurance was \$26,345,722 for the general and professional liability fund. Because the amounts accrued and funded are estimates, the aggregate actual claims covered by the self-insurance funds could differ from the amount that has been accrued. Changes in these estimates will be reflected in the Statement of Revenues, Expenses, and Changes in Net Position in the period in which additional information becomes available. There were no material settlements that exceeded insurance coverage during the last three years.

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NOTE 14 - Accrued Self-Insurance (continued)

Changes in the self-insurance accrual for the years ended June 30, 2024 and June 30, 2023 are reflected below:

	June 30, 2024
Accrued liability, June 30, 2023	\$ 23,950,325
Current year claims and other changes	4,239,394
Payment of Claims	(1,843,997)
Accrued liability, June 30, 2024	\$ 26,345,722
June 30, 2023	
Accrued liability, June 30, 2022	\$ 21,866,807
Current year claims and other changes	3,333,834
Payment of Claims	(1,250,316)
Accrued liability, June 30, 2023	\$ 23,950,325

NOTE 15 - Donor-Restricted Endowments

The University entered into an agreement with the Southern Illinois University Foundation at Carbondale on July 1, 2003, in which the University transferred Endowment funds to the Foundation. The Foundation has agreed to hold and administer these funds as agency funds based upon and consistent with the desires of the donor and/or the University. During fiscal year 2024, there were no additions to the University's permanent endowments. For fiscal year 2024, realized losses on investments totaled \$104,515 and unrealized gains on investments totaled \$243,354, resulting in a balance of \$2,972,534 held by the Foundation at June 30, 2024. The Foundation distributes earnings to the University on a quarterly basis. Payments during fiscal year 2024 totaled \$76,703.

The State of Illinois adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), effective June 30, 2009. UPMIFA added certain prudent spending measures to the Uniform Management of Institutional Funds Act. In accordance with UPMIFA, the Board of Directors of Southern Illinois University Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: the duration and preservation of the fund; the purposes of the donor-restricted endowment fund; general economic conditions; the possible effect of inflation and deflation; the expected total return from income and the appreciation of investments; other resources of the institution; and the investment policies of the Foundation.

NOTE 16 - State Universities Retirement System

Defined Benefit Pension Plan

General Information about the Pension Plan

Plan Description: Employees of the University contribute to the State Universities Retirement System (SURS), a cost-sharing multiple-employer defined benefit plan with a special funding situation whereby the State of Illinois (State) makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941 to provide retirement annuities and other benefits for staff members and employees of state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is considered a component unit of the State of Illinois' financial reporting entity and is included in the state's financial reports as a pension trust fund. SURS is governed by Chapter 40, Act 5, Article 15 of the *Illinois Compiled Statutes*. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.SURS.org.

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NOTE 16 - State Universities Retirement System (continued)

Benefits Provided: A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed 6 months after their date of hire to make an irrevocable election whether to participate in either the traditional or portable benefit plans. A summary of the benefit provisions as of June 30, 2022 can be found in the SURS' Annual Comprehensive Financial Report Notes to the Financial Statements.

Contributions: The State of Illinois is primarily responsible for funding SURS on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a Statutory Funding Plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members of SURS to reach 90% of the total Actuarial Accrued Liability by the end of Fiscal Year 2045. Employer contributions from "trust, federal, and other funds" are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal year 2024 was 12.53% of employee payroll. The normal cost is equal to the value of current year's pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.0% of their annual covered salary except for police officers and fire fighters who contribute 9.5% of their earnings. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly.

Participating employers make contributions toward separately financed specific liabilities under Section 15-139.5(e) of the Illinois Pension code (relating to contributions payable due to the employment of "affected annuitants" or specific return to work annuitants) and Section 15-155(g) (relating to contributions payable due to earnings increases exceeding 6% during the final rate of earnings period), and Section 15-155(j-5) (relating to contributions payable due to earnings exceeding the salary set for the Governor).

Pension Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Defined Benefit Pensions

Net Pension Liability: The net pension liability (NPL) was measured as of June 30, 2023. At June 30, 2023, SURS defined benefit plan reported a NPL of \$29,444,538,098.

Employer Proportionate Share of Net Pension Liability: The amount of the proportionate share of the net pension liability to be recognized for the University is \$0. As of the current year measurement date of June 30, 2023, the University's proportionate share of the State's net pension liability associated with the University is \$2,682,850,278 or 9.1115%, which was an increase of 0.0238% from its proportion measured as of the prior year measurement date of June 30, 2022. This amount is not recognized in the financial statements. The NPL and total pension liability as of June 30, 2023, was determined based on the June 30, 2022 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS defined benefit plan during fiscal year 2022.

Defined Benefit Pension Expense: At June 30, 2023, SURS defined benefit plan reported a collective net pension expense of \$1,884,388,521.

Employer Proportionate Share of Defined Benefit Pension Expense: The University's proportionate share of collective pension expense is recognized as nonoperating revenue with matching operating expenses (compensation and

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NOTE 16 - State Universities Retirement System (continued)

benefits) in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS defined benefit plan during fiscal year 2022. As a result, the University recognized revenue and defined pension expense of \$171,696,777 from this special funding situation during the year ended June 30, 2024.

Deferred Outflows and Deferred Inflows of Resources Related to Defined Benefit Pensions: Deferred outflows of resources are the consumption of net position by SURS that is applicable to future reporting periods. Conversely, deferred inflows of resources are the acquisition of net position by SURS that is applicable to future reporting periods.

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Sources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 62,591,844	\$ 12,277,871
Changes in assumption	70,957,694	420,880,693
Net difference between projected and actual earnings on pension plan investments	187,992,691	-
Total	\$ 321,542,229	\$ 433,158,564

SURS Collective Deferred Outflows and Deferred Inflows of Resources
by Year to be Recognized in Future Pension Expenses

Year Ending June 30	Net Deferred Outflows of Resources
2024	\$ (428,264,966)
2025	(171,164,633)
2026	465,174,033
2027	22,639,231
2028	-
Thereafter	-
Total	\$ (111,616,335)

Employer Deferral of Fiscal Year 2024 Contributions

The University paid \$3,214,697 in federal, trust or grant contributions to SURS defined benefit pension plan during the year ended June 30, 2024. These contributions were made subsequent to the pension liability measurement date of June 30, 2023 and are recognized as Deferred Outflows of Resources as of June 30, 2024.

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NOTE 16 - State Universities Retirement System (continued)

Assumptions and Other Inputs

Actuarial assumptions: The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period June 30, 2017, through June 30, 2020. The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary increases	3.00 to 12.75 percent, including inflation
Investment rate of return	6.50 percent beginning with the actuarial valuation as of June 30, 2023

Mortality rates were based on the Pub-2010 employee and retiree gender distinct tables with projected generational mortality and a separate mortality assumption for disabled participants.

The long-term expected rate of return on defined benefit pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultants and actuary.

For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2023, these best estimates are summarized in the following table:

<u>Defined Benefit Plan</u>	<u>Strategic Policy Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Traditional Growth		
Global Public Equity	36.0%	7.97%
Stabilized Growth		
Core Real Assets	8.0	4.68
Public Credit Fixed Income	6.5	4.52
Private Credit	2.5	7.36
Non-Traditional Growth		
Private Equity	11.0	11.32
Non-Core Real Assets	4.0	8.67
Inflation Sensitive		
U.S. TIPS	5.0	2.09
Principal Protection		
Core Fixed Income	10.0	1.13
Crisis Risk Offset		
Systematic Trend Following	10.0	3.18
Alternative Risk Premia	3.0	3.27
Long Duration	2.0	3.02
Long Volatility/Tail Risk	<u>2.0</u>	<u>(1.14)</u>
Total	100.0%	5.98%
Inflation		<u>2.60</u>
Expected Arithmetic Return		8.58%

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NOTE 16 - State Universities Retirement System (continued)

Discount Rate: A single discount rate of 6.37% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 6.50% and a municipal bond rate of 3.86% (based on the Fidelity 20-Year Municipal GO AA Index as of June 30, 2023). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under the SURS funding policy. Based on these assumptions, the pension plan’s fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2074. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2074, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the SURS Net Pension Liability to Changes in the Discount Rate: Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the State’s NPL, calculated using a single discount rate of 6.37%, as well as what the State’s NPL would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease	Current Single Discount Rate Assumption	1% Increase
<u>5.37%</u>	<u>6.37%</u>	<u>7.37%</u>
\$35,695,434,682	\$29,444,538,098	\$24,236,489,318

Additional information regarding the SURS basic financial statements including the Plan Net Position can be found in the SURS comprehensive annual financial report by accessing the website at www.SURS.org.

Defined Contribution Pension Plan

General Information about the Pension Plan

Plan Description: Employees of the University contribute to the Retirement Savings Plan (RSP) administered by the State Universities Retirement System (SURS), a cost-sharing multiple-employer defined contribution pension plan with a special funding situation whereby the State of Illinois (State) makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941 to provide retirement annuities and other benefits for staff members and employees of state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is governed by Chapter 40, Act 5, Article 15 of the *Illinois Compiled Statutes*. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.SURS.org. The RSP and its benefit terms were established and may be amended by the State’s General Assembly.

Benefits Provided: A defined contribution pension plan, originally called the Self-Managed Plan, was added to SURS benefit offerings as a result of Public Act 90-0448 enacted effective January 1, 1998. The plan was renamed to the RSP effective September 1, 2020, after an extensive plan redesign. New employees are allowed 6 months after their date of hire to make an irrevocable election whether to participate in either the traditional or portable defined benefit pension plans or the RSP. A summary of the benefit provisions as of June 30, 2023 can be found in the SURS Annual Comprehensive Financial Report Notes to the Financial Statements.

Contributions: All employees who have elected to participate in the RSP are required to contribute 8.0% of their annual covered earnings. Section 15-158.2(h) of the Illinois Pension Code provides for an employer contribution to the RSP of 7.6% of employee earnings. The State is primarily responsible for contributing to the RSP on behalf of the individual employers. Employers are required to make the 7.6% contribution from employee earnings paid from

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NOTE 16 - State Universities Retirement System (continued)

“trust, federal, and other funds” as described in Section 15-155(b) of the Illinois Pension Code. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly.

Forfeitures: Employees are not vested in employer contributions to the RSP until they have attained five years of service credit. Should an employee leave SURS-covered employment with less than five years of service credit, the portion of the employee’s RSP account designated as employer contributions is forfeited. Employees who later return to SURS-covered employment will have these forfeited employer contributions reinstated to their account, so long as the employee’s own contributions remain in the account. Forfeited employer contributions are managed by SURS and are used both to reinstate previously forfeited contributions and to fund a portion of the State’s contributions on behalf of the individual employers. The vesting and forfeiture provisions of the RSP were established and may be amended by the State’s General Assembly.

Pension Expense Related to Defined Contribution Pensions

Defined Contribution Pension Expense: For the year ended June 30, 2023, the State’s contributions to the RSP on behalf of individual employers totaled \$90,330,044. Of this amount, \$81,991,471 was funded via an appropriation from the State and \$8,338,573 was funded from previously forfeited contributions.

Employer Proportionate Share of Defined Contribution Pension Expense: The University’s proportionate share of collective pension expense is recognized as nonoperating revenue with matching operating expenses (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share of collective defined contribution pension expense is the actual reported pensionable contributions made to the RSP during fiscal year 2023. The University’s share of pensionable contributions was 10.0796%. As a result, the University recognized revenue and defined contribution pension expense of \$9,104,878 from this special funding situation during the year ended June 30, 2024 of which \$840,492 constituted forfeitures.

NOTE 17 - Post-employment Benefits

Plan description: SEGIA, as amended, authorizes SEGIP to provide health, dental, vision, and life insurance benefits for certain retirees and their dependents. Substantially, all of the University’s full-time employees are members of SEGIP. Members receiving monthly benefits from the GARS, JRS, SERS, TRS, and SURS are eligible for these OPEB. The eligibility provisions for SURS are defined within Note 16.

CMS administers OPEB for annuitants with the assistance of GARS, JRS, SERS, TRS, and SURS. The State recognizes SEGIP as a single-employer defined benefit plan, which does not issue a stand-alone financial report.

Benefits provided: The health, dental, and vision benefits provided to and contribution amounts required from annuitants are the result of collective bargaining between the State and the various unions representing the State’s and the university component units’ employees in accordance with limitations established in SEGIA. Therefore, the benefits provided and contribution amounts are subject to periodic change. Coverage through SEGIP becomes secondary to Medicare after Medicare eligibility has been reached. Members must enroll in Medicare Parts A and B to receive the subsidized SEGIP premium available to Medicare eligible participants. SEGIA requires the State to provide life insurance benefits for annuitants equal to their annual salary as of the last day of employment until age 60, at which time, the benefit amount becomes \$5,000.

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NOTE 17 - Post-employment Benefits (continued)

Funding Policy and Annual OPEB Cost: OPEB offered through SEGIP are financed through a combination of retiree premiums, SEGIP contributions pursuant to SEGIA (5 ILCS 375/11), and Federal government subsidies from the Medicare Part D program. These contributions are deposited in the Health Insurance Reserve Fund, which covers both active employees and retired members. Annuitants may be required to contribute towards health and vision benefits with the amount based on factors such as date of retirement, years of credited service with the State, whether the annuitant is covered by Medicare, and whether the annuitant has chosen a managed health care plan. Annuitants who retired prior to January 1, 1998, and who are vested in GARS, JRS, SERS, TRS, and SURS do not contribute toward health and vision benefits. For annuitants who retired on or after January 1, 1998, the annuitant's contribution amount is reduced five percent for each year of credited service with the State allowing those annuitants with twenty or more years of credited service do not have to contribute towards health and vision benefits. All annuitants are required to pay for dental benefits regardless of retirement date. CMS' Director, on an annual basis, determines the amount of contributions necessary to fund the basic program of group benefits. The State's contributions are made primarily from the State's General Fund on a pay-as-you-go basis.

No assets are accumulated or dedicated to funding the retiree benefits and a separate trust has not been established for the funding of OPEB.

For fiscal year 2024, the annual cost of the basic program of group health, dental, and vision benefits before the State's contribution was \$13,410 (\$7,211 if Medicare eligible) per member if the annuitant chose benefits provided by a health maintenance organization and \$16,622 (\$6,423 if Medicare eligible) per member if the annuitant chose other benefits. The State is not required to fund the plan other than the pay-as-you-go amount necessary to provide the current benefits to retirees.

Special Funding Situation Portion of OPEB: The proportionate share of the State's OPEB expense relative to the University's employees totaled \$(145,983,138) during the year ended June 30, 2024. This amount was recognized by the University as non-operating special funding situation revenue and operating expense allocated to the related function performed by the employees during the year ended June 30, 2024.

While the University is not required to record the portion of the State's OPEB liability related to the University's employees resulting from the special funding situation, the University is required to disclose this amount. The following chart displays the proportionate share of the State's contributions related to the University's special funding situation relative to all employer contributions during the year ended June 30, 2023 based on the June 30, 2022 actuarial valuation rolled forward:

Measurement Date:	June 30, 2023
State of Illinois' OPEB liability related to the University under the Special Funding Situation	\$ 996,706,985
SEGIP total OPEB liability	\$ 17,222,644,937
Proportionate share of the total OPEB liability	5.79%

University's Portion of OPEB and Disclosures Related to SEGIP Generally:

Total OPEB liability, deferred outflows of resources, deferred inflows of resources, and expense related to OPEB: The University's total OPEB liability, as reported at June 30, 2024, was measured as of the measurement date on June 30, 2023, with an actuarial valuation as of June 30, 2022, which was rolled forward to the measurement date.

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NOTE 17 - Post-employment Benefits (continued)

The following chart displays the proportionate share of the University's contributions relative to all employer contributions during the year ended June 30, 2023, based on the June 30, 2022 actuarial valuation rolled forward:

Measurement Date:	<u>June 30, 2023</u>
University's OPEB liability	\$ 77,312,453
SEGIP total OPEB liability	<u>\$ 17,222,644,937</u>
Proportionate share of the total OPEB liability	0.45%

The University's portion of the OPEB liability was based on the University's proportionate share amount determined under the methodology described in Note 2 during the year ended June 30, 2023. As of the current year measurement date of June 30, 2023, the University's proportion increased 0.03% from its proportion measured as of the prior year measurement date of June 30, 2022.

The University recognized OPEB expense for the year ended June 30, 2024, of \$(12,824,932). At June 30, 2024, the University reported deferred outflows and deferred inflows of resources, as of the measurement date of June 30, 2023, from the following sources:

Deferred outflows of resources	
Differences between expected and actual experience	\$ 1,343,967
Changes in assumptions	240,230
Changes in proportion	35,394,194
University contributions subsequent to the measurement date	<u>3,134,134</u>
Total deferred outflows of resources	<u>\$ 40,112,525</u>
Deferred inflows of resources	
Differences between expected and actual experience	\$ 15,961,287
Changes in assumptions	56,355,814
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>4,524,951</u>
Total deferred inflows of resources	<u>\$ 76,842,052</u>

The amounts reported as deferred outflows of resources related to OPEB resulting from the University's contributions subsequent to the measurement date will be recognized as a reduction to the OPEB liability in the year ended June 30, 2024.

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NOTE 17 - Post-employment Benefits (continued)

Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Total Amount Recognized of Deferred Inflows and Outflows over the Remaining Service Life of All Employees (5.267 years)
2025	\$ (17,238,037)
2026	(11,817,050)
2027	(10,056,223)
2028	(1,281,856)
2029	529,507
Total	\$ (39,863,659)

Actuarial methods and assumptions: The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement unless otherwise specified. The actuarial valuation for the SEGIP was based on GARS, JRS, SERS, TRS, and SURS active, inactive, and retiree data as of June 30, 2022, for eligible SEGIP employees, and SEGIP retiree data as of June 30, 2022.

The valuation date of June 30, 2022 below was rolled forward to June 30, 2023.

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.25%
Projected Salary Increases*	2.50% - 12.75%
Discount Rate	3.86%

Healthcare Cost Trend Rate:

Medical and Prescription
Pre-Medicare – QCHP**

Trend rates start at 8.00% in 2025, decreasing by 0.25% per year to an ultimate trend rate of 4.25% in year 2040.

Post-Medicare – MAPD***

Trend rates are 0.00% in years 2025 to 2028, 19.42% from 2029 to 2033, then 6.08% in 2034 decreasing ratably to an ultimate trend rate of 4.25% in 2040.

Retirees' share of benefit-related costs

Healthcare premium rates for members depend on the date of retirement and the years of service earned at retirement. Members who retired before January 1, 1998, are eligible for single coverage at no cost to the member. Members who retire after January 1, 1998 are eligible for single coverage provided they pay a portion of the premium equal to 5% for each year of service under 20 years. Eligible dependents receive coverage provided they pay 100% of the required dependent premium. Premiums for plan year 2023 and 2024 are based on actual premiums. Premiums after 2024 were projected based on the same healthcare cost trend rates applied to per capita claim costs.

*Dependent upon service and participation in the respective retirement systems. Includes inflation rate listed.

**Quality Care Health Plan

***Medicare Advantage Prescription Drug

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NOTE 17 - Post-employment Benefits (continued)

Additionally, the demographic assumptions used in this OPEB valuation are identical to those used in the June 30, 2022 valuations for pensions for those participating in GARS, JRS, SERS, TRS, and SURS as follows:

	Retirement age experience study [^]	Mortality ^{^^}
GARS	July 2018 – June 2021	Pub-2010 Above-Median Income General Healthy Retiree Mortality tables, sex distinct, with no scaling factors, and the MP-2021 two-dimensional mortality improvement scales.
JRS	July 2018 – June 2021	Pub-2010 Above-Median Income General Healthy Retiree Mortality tables, sex distinct, with no scaling factors, and the MP-2021 two-dimensional mortality improvement scales.
SERS	July 2018 – June 2021	Pub-2010 General and Public Safety Healthy Retiree mortality tables, sex distinct, with rates projected to 2021 generational mortality improvement factors were updated to projection scale MP-2021.
TRS	July 2017 – June 2020	Pub-2010 adjusted for TRS experience for future mortality improvements on a fully generational basis using projection table MP-2020.
SURS	July 2017 – June 2020	Rates based on Pub-2010 Healthy Retiree Mortality tables and the most recent MP-2020 projection scale. Teachers table was used for Academic members and General Employees table was used for Non-Academic members.

[^]The actuarial assumptions used in the respective actuarial valuations are based on the results of actuarial experience studies for the periods defined.

^{^^}Mortality rates are based on mortality tables published by the Society of Actuaries' Retirement Plans Experience Committee.

Since the last measurement date on June 30, 2023, the State has not made any significant changes to the benefit terms affecting the measurement of the collective total OPEB liability. Further, no changes have occurred since the measurement date and the University's fiscal year end on June 30, 2024 that are expected to have a significant impact on the University's proportionate share of the total collective OPEB liability.

Discount rate: Retirees contribute a percentage of the premium rate based on service at retirement. The State contributes additional amounts to cover claims and expenses in excess of retiree contributions. Because plan benefits are financed on a pay-as-you-go basis, the single discount rate is based on a tax-exempt municipal bond rate index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. A single discount rate of 3.86% as of June 30, 2023 was used to measure the total OPEB liability.

Sensitivity of total OPEB liability to changes in the single discount rate: The following presents the University's proportionate share of the plan's total OPEB liability measured at June 30, 2023, calculated using a Single Discount Rate of 3.86%, as well as what the University's proportionate share of the plan's total OPEB liability would be if it were calculated using a Single Discount rate that is one percentage point higher (4.86%) or lower (2.86%) than the current rate:

	1% Decrease (2.86%)	Current Single Discount Rate Assumption (3.86%)	1% Increase (4.86%)
University's proportionate share of total OPEB liability	\$85,743,344	\$77,312,453	\$70,096,414

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate: The following presents the University's proportionate share of the plan's total OPEB liability measured as of June 30, 2023, calculated using the healthcare cost trend rates as well as what the University's proportionate share of the plan's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower than the current healthcare cost trend rates. For calculating the healthcare cost trend rates assumption, the key trend rates are 8% in 2025 decreasing to an ultimate trend rate of 4.25% in 2040 for both non-Medicare and Medicare

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NOTE 17 - Post-employment Benefits (continued)

coverage. For the 1% decrease for calculating the healthcare cost trend rates assumption, the key trend rates are 7.00% in plan year end 2025 decreasing to an ultimate trend rate of 3.25% in plan year end 2040 for both non-Medicare and Medicare coverage. For the 1% increase for calculating the healthcare cost trend rates assumption, the key trend rates are 9.00% in plan year end 2025 decreasing to an ultimate trend rate of 5.25% in plan year end 2040 for both non-Medicare and Medicare coverage.

1% Decrease	Current Healthcare Cost Trend Rates Assumption	1% Increase
\$67,848,915	\$77,312,453	\$88,962,718

Total OPEB Liability Associated with the University, Regardless of Funding Source:

The University is required to disclose all OPEB liabilities related to it, including (1) the portion of the State’s OPEB liability related to the University’s employees resulting from the special funding situation the University is not required to record and (2) the portion of OPEB liability recorded by the University for its employees paid from trust, federal, and other funds.

The following chart displays the proportionate share of contributions, regardless of funding source, associated with the University’s employees relative to all employer contributions during the year ended June 30, 2023 based on the June 30, 2022 actuarial valuation rolled forward:

Measurement date:	June 30, 2023
State of Illinois’ OPEB liability related to the University under the Special Funding Situation	\$ 996,706,985
University’s OPEB liability	77,312,453
Total OPEB liability associated with the University	\$ 1,074,019,438
SEGIP total OPEB liability	\$ 17,222,644,937
Proportionate share of the OPEB liability associated with the University	6.24%

NOTE 18 - Component Units - Transactions with Related Parties

The University has entered into master contracts with the Component Units which specify the relationship between the University and its related organizations in accordance with the Legislative Audit Commission’s University Guidelines of 1982 most recently amended in May 2023. Significant transactions for the University during fiscal year 2024 included the receipt of \$58,274,353 from SIU Physicians & Surgeons, Inc. (SIU Physicians & Surgeons) for services provided by the University. Also, SIU P&S contributions to the University for Academic Development for the School of Medicine during fiscal year 2024 totaled \$12,616,272.

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For the Year Ended June 30, 2024

NOTE 18 - Component Units - Transactions with Related Parties (continued)

The University's financial statements include the activities of the Component Units, which are discretely presented in the accompanying financial statements. Since these component units are discretely presented, the activities between them and the University are not eliminated on the University's financial statements. Conversely, the University and its component units are consolidated on the State's comprehensive annual financial report, therefore, the following disclosure is presented:

University and Component Unit Transactions				
Statement of Net Position				
	Due from Component Units	Noncurrent Prepays and Other Assets	Due to Component Units	Deposits
University	\$ 5,962,355	\$ 2,972,534	\$ (172,771)	\$ (9,421,981)
	Due to University	Agency Funds Payable	Due from University	Deposits
SIUC Foundation	\$ (40,161)	\$ (2,972,534)	\$ 22,961	\$ -
SIUE Foundation	(255,494)	-	-	482,494
SIU Physicians & Surgeons	(5,536,227)	-	140,580	8,783,568
SIUC Alumni	(393)	-	-	-
SIUE Alumni	(465)	-	1,045	-
SIUC Research Park	(6,377)	-	-	-
SIU Dental Associates	(114,404)	-	8,185	155,919
SIUE Charter School	(8,834)	-	-	-
Totals	<u>\$ (5,962,355)</u>	<u>\$ (2,972,534)</u>	<u>\$ 172,771</u>	<u>\$ 9,421,981</u>
Statement of Revenues & Expenses				
	Operating Revenue	Operating Expense	Non-Operating Revenue	
University	\$ 70,890,625	\$ 8,355,451	\$ 26,433,972	
	Operating Revenue	Operating Expense		
SIUC Foundation	\$ (6,384,801)	\$ (24,463,322)		
SIUE Foundation	(429,359)	(429,359)		
SIU Physicians & Surgeons	-	(70,890,625)		
SIUC Alumni	(494,664)	(494,664)		
SIUE Alumni	(158,154)	(158,154)		
SIUC Research Park	(98,871)	(98,871)		
SIUE University Park	(15,834)	(15,834)		
SIU Dental Associates	(91,784)	(91,784)		
SIUE Charter School	(681,984)	(681,984)		
	<u>\$ (8,355,451)</u>	<u>\$ (97,324,597)</u>		

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 18 - Component Units - Transactions with Related Parties (continued)

Upon the receipt of the audited financial statements from the Component Units, the University further breaks out the transactions with each entity as follows:

SIUC Foundation					
Southern Illinois University	Accounts payable and other liabilities	Agency funds payable	Other receivables	Operating revenue	Operating expense
Due from UROs	\$ 40,161	\$ 2,972,534	\$ -	\$ -	\$ -
Due to UROs	-	-	22,961	-	-
Operating expense	-	-	-	6,384,801	-
Non-operating revenues	-	-	-	-	24,463,322

SIUE Foundation					
Southern Illinois University	Accounts payable	Deposits with SIUE	Accounts receivable	Operating revenue	Operating expense
Due from UROs	\$ 255,494	\$ -	\$ -	\$ -	\$ -
Deposits held for UROs	-	482,494	-	-	-
Due to UROs	-	-	-	-	-
Operating expense	-	-	-	429,359	-
Non-operating revenues	-	-	-	-	429,359

SIUC Physicians & Surgeons				
Southern Illinois University	Accounts payable and accrued liabilities	Deposits with SIUC	Due from SIUC	Operating expense
Due from UROs	\$ 5,536,227	\$ -	\$ -	\$ -
Deposits held for UROs	-	8,783,568	-	-
Due to UROs	-	-	140,580	-
Operating revenue	-	-	-	70,890,625

SIUC Alumni				
Southern Illinois University	Accounts payable and accrued liabilities	Operating revenue	Operating expense	
Due from UROs	\$ 393	\$ -	\$ -	
Operating expense	-	494,664	-	
Non-operating revenues	-	-	494,664	

SOUTHERN ILLINOIS UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 18 - Component Units - Transactions with Related Parties (continued)

Southern Illinois University	SIUE Alumni		
	Accounts payable	Operating revenue	Operating expense
Due from UROs	\$ 465	\$ -	\$ -
Operating expense	-	158,154	-
Non-operating revenue	-	-	158,154

Southern Illinois University	SIUC Research Park		
	Accounts payable	Operating revenue	Operating expense
Due from UROs	\$ 6,377	\$ -	\$ -
Operating expense	-	98,871	-
Non-operating revenues	-	-	98,871

Southern Illinois University	SIUE University Park	
	Operating revenue	Operating expense
Operating expense	\$ 15,834	\$ -
Non-operating revenues	-	15,834

Southern Illinois University	SIUE Charter School		
	Accrued expenses	Operating revenue	Operating expense
Due from UROs	\$ 8,834	\$ -	\$ -
Operating expense	-	681,984	-
Non-operating revenues	-	-	681,984

Southern Illinois University	SIU Dental Associates			
	Due to University	Deposits with SIUC	Operating revenue	Operating expense
Due from UROs	\$ 114,404	\$ -	\$ -	\$ -
Deposits held for UROs	-	155,919	-	-
Operating expense	-	-	91,784	-
Non-operating revenues	-	-	-	91,784

In addition, there are transactions between Component Units as follows:

SIUC Foundation	SIUC Alumni	
	Operating revenue	Operating expense
Operating expense	\$ 116,032	\$ -
Non-operating revenues	-	56,984

Additional information concerning transactions with related parties may be obtained by contacting the entities listed in Note 1 on pages 23 and 24.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 19 - Commitments and Contingencies

Legal action

The University is a defendant in several lawsuits. However, University officials are of the opinion, based on the advice of legal counsel, that any ultimate liability which could result from such litigation would not have a material effect on the University's financial position or its future operations.

Forward contract

The University has forward fixed-price purchase contracts with Berkshire Hathaway, formerly MidAmerican Energy Company, for the procurement of electricity that is used in the normal course of operations. The University does not employ futures contracts or other derivative products. At June 30, 2024, the University's annual commitment related to this contract is approximately \$10 million and currently runs through December 31, 2024.

Construction projects

During fiscal year 2024, the University had ongoing general facility and infrastructure improvement projects taking place on both campuses. As of June 30, 2024, \$24,948,461 had been spent on these projects with \$237,915,222 being committed to the completion of these projects as well as future projects funded by the Capital Development Board (CDB).

NOTE 20 - Operating Expenses by Natural Classification

University operating expenses by natural classification for the year ended June 30, 2024 are summarized as follows:

	Compensation and benefits	Supplies and Services	Student Aid	Depreciation	Total
Instruction	\$ 239,674,120	\$ 37,021,097	\$ -	-	\$ 276,695,217
Research	27,129,320	19,235,680	-	-	46,365,000
Public service	52,552,462	28,938,559	-	-	81,491,021
Academic support	231,468,098	53,168,957	-	-	284,637,055
Student services	41,479,513	34,767,361	-	-	76,246,874
Institutional support	55,420,096	13,408,813	-	-	68,828,909
Operations and maintenance of plant	36,532,691	40,166,337	-	-	76,699,028
Scholarships and fellowships	492,693	-	56,767,863	-	57,260,556
Auxiliary enterprises	28,409,094	50,845,272	-	-	79,254,366
Depreciation	-	-	-	71,683,411	71,683,411
Total	\$ 713,158,087	\$ 277,552,076	\$ 56,767,863	\$ 71,683,411	\$ 1,119,161,437

SOUTHERN ILLINOIS UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 21 - Segment Information

The University has issued revenue bonds with the net revenues from the segment pledged to pay the bond interest and principal. The Housing and Auxiliary Facilities System segment is comprised of University owned housing units, student centers, recreation and athletic facilities, and similar auxiliary enterprise units. The operating revenues of the System largely consist of various student fees, various user fees, and room and board charges. The Medical Facilities System was dissolved subsequent to June 30, 2023 and is no longer required to be reported as a segment.

Condensed financial statements for the University's Housing and Auxiliary Facilities System segment for fiscal year 2024 are as follows:

	Housing and Auxiliary Facilities System
CONDENSED STATEMENTS OF NET POSITION	
Assets and deferred outflows of resources:	
Current assets	\$ 69,917,419
Capital assets, net	207,370,183
Other assets	5,699,416
Deferred outflows of resources	2,280,758
Total Assets and deferred outflows of resources	285,267,776
Liabilities:	
Current liabilities	22,658,449
Noncurrent liabilities	125,098,050
Deferred inflows of resources	6,410,206
Total Liabilities	154,166,705
Net Position	
Net investment in capital assets	71,197,367
Restricted - expendable	35,860,649
Unrestricted (deficit)	24,043,055
Total Net Position	\$ 131,101,071
CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	
Operating revenues	\$ 85,794,673
Operating expenses	(67,679,019)
Depreciation expense	(12,689,772)
Operating loss	5,425,882
Nonoperating revenues and expenses - net	4,226,271
Income before other revenues, expenses, gains or losses	9,652,153
Other revenues, expenses, gains or losses - net	126,838
Increase in net position	9,778,991
Net position at beginning of year	121,322,080
Net position at end of year	\$ 131,101,071
CONDENSED STATEMENTS OF CASH FLOWS	
Cash provided by (used in):	
Operating activities	\$ 21,127,387
Noncapital financing activities	1,629,356
Capital financing activities	(33,787,505)
Investing activities	9,803,618
Net increase in cash	(1,227,144)
Cash, beginning of year	61,839,456
Cash, end of year	\$ 60,612,312

SOUTHERN ILLINOIS UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 22 – Component Units

Condensed financial statements for the component units of the University as of June 30, 2024 are as follows:

	SIUC FOUNDATION	SIUE FOUNDATION	SIUC PHYSICIANS & SURGEONS	SIUC ALUMNI	SIUE ALUMNI	SIUC RESEARCH PARK	SIUE UNIV. PARK	SIUE CHARTER	SIU DENTAL ASSOCIATES	TOTAL
CONDENSED STATEMENTS OF NET POSITION										
June 30, 2024										
Assets:										
Current assets	\$ 58,215,152	\$ 20,266,222	\$ 85,183,166	\$ 116,269	\$ 275,302	\$ 561,190	\$ 374,415	\$ 472,938	\$ 185,071	\$ 165,649,725
Other non-current assets	221,815,095	40,776,974	33,486,123	9,067,502	-	241,924	-	-	-	305,387,618
Capital assets	2,696,266	1,761,980	2,283,524	43,860	17,322	1,166,566	-	78,540	-	8,048,058
Total Assets	<u>282,726,513</u>	<u>62,805,176</u>	<u>120,952,813</u>	<u>9,227,631</u>	<u>292,624</u>	<u>1,969,680</u>	<u>374,415</u>	<u>551,478</u>	<u>185,071</u>	<u>479,085,401</u>
Liabilities:										
Current liabilities	354,148	413,650	17,270,727	133,730	465	133,596	-	114,599	133,437	18,554,352
Noncurrent liabilities	4,015,257	114,879	-	1,599,095	-	1,101,461	-	-	-	6,830,692
Deferred inflows of resources	-	-	-	-	-	372,513	-	-	-	372,513
Total Liabilities & Deferred Inflows of Resources	<u>4,369,405</u>	<u>528,529</u>	<u>17,270,727</u>	<u>1,732,825</u>	<u>465</u>	<u>1,607,570</u>	<u>-</u>	<u>114,599</u>	<u>133,437</u>	<u>25,757,557</u>
Net Position:										
Net investment in capital assets	2,696,266	1,552,745	2,283,524	43,860	17,322	(14,571)	-	78,540	-	6,657,686
Restricted - nonexpendable	149,537,720	33,645,468	-	-	-	-	-	-	-	183,183,188
Restricted - expendable	110,600,917	23,999,297	-	-	-	-	-	-	-	134,600,214
Unrestricted	15,522,205	3,079,137	101,398,562	7,450,946	274,837	376,681	374,415	358,339	51,634	128,886,756
Total Net Position	<u>\$ 278,357,108</u>	<u>\$ 62,276,647</u>	<u>\$ 103,682,086</u>	<u>\$ 7,494,806</u>	<u>\$ 292,159</u>	<u>\$ 362,110</u>	<u>\$ 374,415</u>	<u>\$ 436,879</u>	<u>\$ 51,634</u>	<u>\$ 453,327,844</u>
CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION										
Year ended June 30, 2024										
Operating revenues	\$ 6,814,572	\$ 4,538,313	\$ 176,479,827	\$ 837,960	\$ 15,904	\$ 360,959	\$ 15,834	\$ 2,772,343	\$ 226,613	\$ 192,062,325
Operating expenses	26,212,730	5,485,155	159,154,682	1,106,794	44,346	353,875	23,223	2,822,627	176,989	195,380,421
Operating income (loss)	(19,398,158)	(946,842)	17,325,145	(268,834)	(28,442)	7,084	(7,389)	(50,284)	49,624	(3,318,096)
Nonoperating revenues and expenses - net	40,405,938	6,323,584	3,606,780	1,087,205	33,872	(50,964)	11,175	1,248	-	51,418,838
Income (Loss) before other revenues	21,007,780	5,376,742	20,931,925	818,371	5,430	(43,880)	3,786	(49,036)	49,624	48,100,742
Other revenues	11,195,998	1,543,973	-	-	-	-	-	-	-	12,739,971
Increase (decrease) in net position	32,203,778	6,920,715	20,931,925	818,371	5,430	(43,880)	3,786	(49,036)	49,624	60,840,713
Net position at beginning of year	246,153,330	55,355,932	82,750,161	6,676,435	286,729	405,990	370,629	485,915	2,010	392,487,131
Net position at end of year	<u>\$ 278,357,108</u>	<u>\$ 62,276,647</u>	<u>\$ 103,682,086</u>	<u>\$ 7,494,806</u>	<u>\$ 292,159</u>	<u>\$ 362,110</u>	<u>\$ 374,415</u>	<u>\$ 436,879</u>	<u>\$ 51,634</u>	<u>\$ 453,327,844</u>
CONDENSED STATEMENTS OF CASH FLOWS										
Year ended June 30, 2024										
Cash provided by (used in):										
Operating activities	\$ (20,628,301)	\$ (1,122,975)	\$ 15,026,221	\$ (249,495)	\$ (21,209)	\$ 153,270	\$ (7,389)	\$ (19,008)	\$ 70,414	\$ (6,798,472)
Noncapital financing activities	14,508,621	1,541,145	-	18,753	-	-	-	11,811	(72,441)	16,007,889
Capital financing activities	(1,457,620)	(67,569)	(443,296)	-	(20,233)	(135,139)	-	(568)	-	(2,124,425)
Investing activities	7,768,693	86,378	(12,114,043)	150,023	26,179	3,189	11,175	-	-	(4,068,406)
Net increase (decrease) in cash	191,393	436,979	2,468,882	(80,719)	(15,263)	21,320	3,786	(7,765)	(2,027)	3,016,586
Cash, beginning of year	37,061	1,219,253	11,240,069	117,807	32,160	400,160	370,379	474,591	6,699	13,898,179
Cash, end of year	<u>\$ 228,454</u>	<u>\$ 1,656,232</u>	<u>\$ 13,708,951</u>	<u>\$ 37,088</u>	<u>\$ 16,897</u>	<u>\$ 421,480</u>	<u>\$ 374,165</u>	<u>\$ 466,826</u>	<u>\$ 4,672</u>	<u>\$ 16,914,765</u>

SOUTHERN ILLINOIS UNIVERSITY
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REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2024

Schedule of Southern Illinois University's Proportionate Share of the Net Pension Liability

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
(a) Proportion Percentage of the Collective Pension Liability	0%	0%	0%	0%	0%	0%	0%	0%	0%
(b) Proportion Amount of the Collective Net Pension Liability \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
(c) Portion of Non-employer Contributing Entities' Total Proportion of Collective Net Pension Liability associated with Employer	2,080,655,567	2,249,485,883	2,412,381,441	2,333,202,952	2,471,128,271	2,590,636,580	2,787,960,206	2,591,383,075	2,642,527,464
Total (b) + (c)	2,080,655,567	2,249,485,883	2,412,381,441	2,333,202,952	2,471,128,271	2,590,636,580	2,787,960,206	2,591,383,075	2,642,527,464
Employer DB Covered Payroll	345,273,428	342,213,039	335,537,035	323,289,793	321,010,532	325,983,209	337,479,905	338,621,061	347,346,948
Proportion of Collective Net pension Liability associated with Employer as a percentage of covered payroll	602.61%	657.33%	718.96%	721.71%	769.80%	794.71%	826.11%	765.28%	760.77%
SURS Plan Net position as a Percentage of Total Pension Liability	44.39%	42.37%	39.57%	42.04%	41.27%	40.71%	39.05%	45.45%	43.65%

Southern Illinois University Schedule of Contributions

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Federal, Trust, Grant and Other contribution \$	2,793,781 \$	2,735,385 \$	2,880,150 \$	2,591,913 \$	2,583,469 \$	2,716,085 \$	2,887,702 \$	2,798,439 \$	2,921,027
Contribution in relation to required contribution	2,793,781	2,735,385	2,880,150	2,591,913	2,583,469	2,716,085	2,887,702	2,798,439	2,921,027
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
Employer Covered Payroll	349,400,692	347,637,400	340,592,619	328,056,298	325,751,172	329,958,236	342,106,683	343,290,921	361,832,718
Contributions as a percentage of covered payroll	0.80%	0.79%	0.85%	0.79%	0.79%	0.82%	0.84%	0.82%	0.81%

Changes of benefit terms.

Public Act 103-0080, effective June 9, 2023, created a disability benefit for police officers injured in the line of duty on or after January 1, 2022. This benefit was first reflected in the Total Pension Liability as of June 30, 2023. There were no benefit changes recognized in the Total Pension Liability as of June 30, 2022, June 30, 2021, June 30, 2020, June 30, 2019, June 30, 2018 or June 30, 2017.

Changes of assumptions (Fiscal Year 2023). In accordance with the Illinois Compiled Statutes, and actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest and salary of the members and benefit recipients of SURS. An experience review for the years June 30, 2017 to June 30, 2020 was performed in Spring 2021, resulting in the adoption of new assumptions as of June 30, 2021. These assumptions are listed below. Only the disability rates assumption changed for the June 30, 2023 actuarial valuation.

- *Salary increase. Change in the overall assumed salary increase rates, ranging from 3.00% to 12.75% based on years of service, with underlying wage inflation of 2.25%.
- *Investment return. Decrease the investment return assumption to 6.50%. This reflects maintaining an assumed real rate of return to 4.25% and maintaining the underlying assumed price inflation to 2.25%
- *Effective rate of interest. Decrease the long-term assumption for the ERI for crediting the money purchase accounts to 6.50%
- *Normal retirement rates. Establish separate rates for members in academic positions and non-academic positions to reflect that retirement rates for academic positions are lower than for non-academic positions.
- *Early retirement rates. Establish separate rates for members in academic positions and non-academic positions to reflect that retirement rates for academic positions are lower than for non-academic positions.
- *Turnover rates. Change rates to produce slightly lower expected turnover for members, while maintaining pattern of decreasing termination rates as years of service increase.
- *Mortality rates. Change from the RP-2014 to the Pub-2010 mortality tables to reflect the latter's higher applicability to public pensions. Update the projection scale from the MP-2017 to the MP-2020 scale.
- *Disability rates. Separate rates are assumed for members in academic positions and non-academic positions as well as for males and females. New for the June 30, 2023 valuation, 50% of police officer disability incidence is assumed to be line-of-duty related.
- *Plan election. Change plan election assumptions to 75% Tier 2 and 25% Retirement Savings Plan (RSP) for non-academic members. Change plan election assumptions to 55% Tier 2 and 45% Retirement Savings Plan (RSP) for academic members.

Changes of assumptions (Fiscal Year 2021). In accordance with the Illinois Compiled Statutes, and actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest and salary of the members and benefit recipients of SURS. An experience review for the years June 30, 2017 to June 30, 2020 was performed in Spring 2021, resulting in the adoption of new assumptions as of June 30, 2021. These assumptions are listed below and remained the same for the June 30, 2022 actuarial valuation.

- *Salary increase. Change in the overall assumed salary increase rates, ranging from 3.00% to 12.75% based on years of service, with underlying wage inflation of 2.25%.
- *Investment return. Decrease the investment return assumption to 6.50%. This reflects maintaining an assumed real rate of return to 4.25% and maintaining the underlying assumed price inflation to 2.25%
- *Effective rate of interest. Decrease the long-term assumption for the ERI for crediting the money purchase accounts to 6.50%
- *Normal retirement rates. Establish separate rates for members in academic positions and non-academic positions to reflect that retirement rates for academic positions are lower than for non-academic positions.
- *Early retirement rates. Establish separate rates for members in academic positions and non-academic positions to reflect that retirement rates for academic positions are lower than for non-academic positions.
- *Turnover rates. Change rates to produce slightly lower expected turnover for members, while maintaining pattern of decreasing termination rates as years of service increase.
- *Mortality rates. Change from the RP-2014 to the Pub-2010 mortality tables to reflect the latter's higher applicability to public pensions. Update the projection scale from the MP-2017 to the MP-2020 scale.
- *Disability rates. Establish separate rates for members in academic positions and non-academic positions and maintain separate rates for males and females.
- *Plan election. Change plan election assumptions to 75% Tier 2 and 25% Retirement Savings Plan (RSP) for non-academic members. Change plan election assumptions to 55% Tier 2 and 45% Retirement Savings Plan (RSP) for academic members.

Changes of assumptions (Fiscal Year 2019). In accordance with the Illinois Compiled Statutes, and actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest and salary of the members and benefit recipients of SURS. An experience review for the years June 30, 2014 to June 30, 2017 was performed in February 2018, resulting in the adoption of new assumptions as of June 30, 2018.

- *Salary increase. Decrease in the overall assumed salary increase rates, ranging from 3.25% to 12.25% based on years of service, with underlying wage inflation of 2.25%.
- *Investment return. Decrease the investment return assumption to 6.75%. This reflects maintaining an assumed real rate of return of 4.5% and decreasing the underlying assumed price inflation to 2.25%
- *Effective rate of interest. Decrease the long-term assumption for the ERI for crediting the money purchase accounts to 6.75% (effective July 2, 2019)
- *Normal retirement rates. A slight increase in the retirement rate at age 50. No change to the rates for ages 60-61, 67-74 and 80+, but a slight decrease in rates at all other ages. A rate of 50% if the member has 40 or more years of service and is younger than age 80.
- *Early retirement rates. Decrease in rates for all Tier 1 early retirement eligibility ages (55-59)
- *Turnover rates. Change rates to produce lower expected turnover for members with less than 10 years of service and higher turnover for members with more than 10 years of service.

*Mortality rates. Maintain the RP-2014 mortality tables with projected generational mortality improvement. Update the projection scale from the MP-2014 to the MP-2017 scale.

*Disability rates. Decrease current rates to reflect that certain members who receive disability benefits do not receive the benefits on a long-term basis.

Changes of assumptions (Fiscal Year 2018). In accordance with the Illinois Compiled Statutes, and actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest and salary of the members and benefit recipients of SURS. An experience review for the years June 30, 2010 to June 30, 2014 was performed in February 2015, resulting in the adoption of new assumptions as of June 30, 2015.

*Mortality rates. Change from the RP 2000 Mortality table projected to 2017, sex distinct, to the RP-2014 mortality tables with projected generational mortality improvement. Change to a separate mortality assumption for disabled participants.

*Salary increase. Change assumption to service-based rates, ranging from 3.75% to 15% based on years of service, with underlying wage inflation of 3.75%.

*Normal retirement rates. Change to retirement rates at ages younger than 60, age 66, and ages 70-79 to reflect observed experiences.

*Early retirement rates. Change to a slight increase to the rates at ages 55 and 56.

*Turnover rates. Change to produce lower expected turnover for members with less than 10 years of service and higher turnover for members with more than 10 years of service than the currently assumed rates.

*Disability rates. Decrease rates and have separate rates for males and females to reflect observed experience.

*Dependent assumption. Maintain the current assumption on marital status that varies by age and sex and the assumption that males are three years older than their spouses.

**Note: The System implemented GASB No. 68 in fiscal year 2015. The information above is presented for as many years as available. The Schedule is intended to show information for 10 years.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2024

Schedule of Southern Illinois University's Proportionate Share of the Net OPEB Liability

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Proportionate percentage of the collective total OPEB liability	0.42%	0.34%	0.35%	0.30%	0.37%	0.42%	0.45%
Proportionate amount of the collective total OPEB Liability	\$174,634,628	\$137,600,029	\$154,007,094	\$127,984,959	\$130,653,274	\$71,224,467	\$77,312,453
Estimated proportionate amount of collective total OPEB liability associated with the University-State supported portion	2,716,859,537	1,904,874,439	1,986,698,815	1,959,744,997	1,916,088,315	1,045,851,531	1,074,019,438
Total OPEB Liability	2,891,494,165	2,042,474,468	2,140,705,909	2,087,729,956	2,046,741,589	1,117,075,998	1,151,331,891
Employer covered payroll	461,829,674	460,985,006	473,234,338	494,287,208	500,730,528	526,347,981	548,813,651
Proportionate share of total OPEB liability as a percentage of covered employee payroll	626.10%	443.07%	452.36%	422.37%	408.75%	212.23%	209.79%

There are no assets accumulated in a trust to pay University employees' Other Post-Employment Benefits.

Changes of Assumptions:

- The single discount rate was changed from 3.69% to 3.86% for fiscal year 2023
- The single discount rate was changed from 1.92% to 3.69% for fiscal year 2022
- The single discount rate was changed from 2.45% to 1.92% for fiscal year 2021
- The single discount rate was changed from 3.13% to 2.45% for fiscal year 2020
- The single discount rate was changed from 3.62% to 3.13% for fiscal year 2019
- The single discount rate was changed from 3.56% to 3.62% for fiscal year 2018
- The single discount rate was changed from 2.85% to 3.56% for fiscal year 2017

Per capita claim costs for plan year end June 30, 2023, were updated based on projected claims and enrollment experience through June 30, 2023, and updated premium rates through plan year 2024.

The healthcare trend assumptions were updated based on claim and enrollment experience through June 30, 2022, projected plan cost for plan year end June 30, 2023, premium changes through plan year end 2024, and expectation of future trend increases after June 30, 2023.

Per capita claim costs for plan year end June 30, 2022, were updated based on projected claims and enrollment experience through June 30, 2022, and updated premium rates through plan year 2023.

Effective as of January 1, 2023, projected per capita costs reflect the newly established zero premium MAPD plan. Based on discussions with CMS, the MAPD costs are zero for calendar years 2023 through 2027, increase to \$42 per member per month in calendar year 2028, and increase ratably to \$102 per member per month in calendar year 2032. After 2032, costs increase according to the assumed trend rates.

The healthcare trend assumptions were updated based on claim and enrollment experience through June 30, 2021, projected plan cost for plan year end June 30, 2022, premium changes through plan year end 2023, and expectation of future trend increases after June 30, 2022.

The Cadillac Tax trend adjustment was updated based on available premium and enrollment information as of June 30, 2019

Per capita claim costs for plan year end June 30, 2021, were updated based on projected claims and enrollment experience through June 30, 2021, and updated premium rates through plan year 2022

Healthcare plan participation rates by plan were updated based on observed experience

*Note: The System implemented GASB No. 75 in fiscal year 2018. The information above is presented for as many years as available. The Schedule is intended to show information for 10 years.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
TABLE OF OPERATING EXPENSES
For the Year Ended June 30, 2024

The following table presents a break-down of the various types of expenses which collectively comprise the University's functional operating expense accounts for the fiscal year ended June 20, 2024.

	Compensation and Benefits								Total	Other Expenses	Total Operating Expenses
	University Expenses				State of Illinois Expenses						
	Salaries ¹	Benefits ²	OPEB ³	Sub-Total	Benefits	OPEB	Pension	Sub-Total			
Educational and general:											
Instruction	\$ 189,085,021	\$ 2,007,374	\$ -	\$ 191,092,395	\$ 26,370,470	\$ (40,660,272)	\$ 62,871,526	\$ 48,581,724	\$ 239,674,119	\$ 37,021,097	\$ 276,695,216
Research	21,549,069	2,702,432	-	24,251,501	2,204,840	(3,399,626)	4,072,605	2,877,819	27,129,320	19,235,680	46,365,000
Public service	38,827,575	10,390,413	-	49,217,988	2,422,282	(3,734,894)	4,647,086	3,334,474	52,552,462	28,938,559	81,491,021
Academic support	186,510,788	3,504,289	-	190,015,077	29,868,391	(46,052,584)	57,637,215	41,453,022	231,468,099	53,168,957	284,637,056
Student services	33,349,315	350,489	-	33,699,804	6,487,171	(10,002,477)	11,295,015	7,779,709	41,479,513	34,767,361	76,246,874
Institutional support	43,211,650	1,975,021	-	45,186,671	12,793,425	(19,726,010)	17,166,010	10,233,425	55,420,096	13,408,813	68,828,909
Operations and maintenance of plant	26,145,156	24,873	-	26,170,029	8,469,841	(13,059,544)	14,952,365	10,362,662	36,532,691	40,166,337	76,699,028
Other	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	71,683,411	71,683,411
Student aid	479,024	13,669	-	492,693	-	-	-	-	492,693	56,767,863	57,260,556
Auxiliary facilities	22,981,687	552,778	-	23,534,465	6,062,526	(9,347,731)	8,159,834	4,874,629	28,409,094	50,845,272	79,254,366
Totals	\$ 562,139,285	\$ 21,521,338	\$ -	\$ 583,660,623	\$ 94,678,946	\$ (145,983,138)	\$ 180,801,656	\$ 129,497,464	\$ 713,158,087	\$ 406,003,350	\$ 1,119,161,437

¹Salaries include employer contributions for Social Security, Medicare and unemployment.

²Benefits includes certain group insurance costs, such as healthcare and life insurance. For the University, it also includes employer 403(b) contributions.

³OPEB refers to other post-employment benefits.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
DATA REQUIRED BY BOND RESOLUTIONS (UNAUDITED)
For the Year Ended June 30, 2024

HOUSING AND AUXILIARY FACILITIES SYSTEM (HAFS)

ENROLLMENTS AT SOUTHERN ILLINOIS UNIVERSITY

The University reports the following enrollments, by campus:

	<u>Head Count*</u>	<u>Full-Time Equivalency**</u>
Carbondale Campus (semester basis)		
Fall semester 2023	11,359	9,486
Edwardsville Campus (semester basis)		
Fall semester 2023	12,045	9,739

*Head count includes all full and part-time students (including those enrolled in extension courses) whether living on or off campus.

**Full-time equivalency is based on 15 credits for undergraduate students and 12 credits for graduate students.

HISTORICAL OCCUPANCY OF HAFS FACILITIES

The occupancy charges and rates below are based on the typical fall/spring school year (9 months) except for Evergreen Terrace information which is based on 12 months.

Building Location	Range of Occupancy Charges for 2024	Occupancy Rates				
		2024	2023	2022	2021	2020
Evergreen Terrace (C)						
302 Apartments	\$4,060 - \$9,720	82.2%	78.4%	79.7%	39.7%	72.0%
Thompson Point (C)						
1,449 Persons	\$10,622 - \$14,276	51.3%	50.3%	49.8%	45.5%	50.0%
Towers (C)						
3,454 Persons	\$10,622 - \$14,276	37.8%	36.4%	50.8%	46.4%	40.1%
University Hall (C)						
327 Persons	\$6,292 - \$14,276	-- --	-- --	36.5%	1.2%	-- --
Wall & Grand (C)						
350 Persons (Bldg I,II & III)	\$6,410 - \$7,784	71.4%	71.1%	50.8%	52.7%	72.5%
Cougar Village (E)						
496 Apartments	\$5,140 - \$16,750	73.7%	75.5%	75.2%	54.2%	68.5%
Woodland Hall (E)						
257 Rooms	\$10,530 - \$14,800	87.9%	93.8%	92.4%	64.4%	72.8%
Prairie Hall (E)						
260 Rooms	\$10,530 - \$14,800	90.2%	89.2%	90.5%	63.7%	76.1%
Bluff Hall (E)						
260 Rooms	\$10,530 - \$14,800	88.6%	94.1%	90.7%	66.9%	79.6%
Evergreen Hall (E)						
131 Apartments	\$7,190 - \$13,460	94.6%	91.4%	86.3%	73.8%	81.0%

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
DATA REQUIRED BY BOND RESOLUTIONS (UNAUDITED)
For the Year Ended June 30, 2024

HISTORICAL OCCUPANCY OF HAFS FACILITIES (continued)

(C) Carbondale Campus, (E) Edwardsville Campus

University Hall was closed during Fall 2023 and Spring 2024. Thompson Point and Towers offered single rooms at double-occupancy rates.

HAFS DEBT SERVICE COVERAGES

The bond resolution requires that debt service coverage (net revenues plus pledged retained tuition) be at least 120% of the maximum annual debt service. The debt service coverage is calculated at the end of the year using cash basis data obtained from the Statement of Cash Flows. Debt service coverage for the System as defined by the bond resolution and based on net revenues has been calculated as follows for the year ended June 30, 2024:

Receipts:	
Revenue Account:	
Operating Receipts	\$ 90,041,018
Revenue Bond Fees	1,051,665
Retirement of Indebtedness – Investment Income	150,521
Total Receipts	91,243,204
Disbursements:	
Operation and Maintenance Account	65,019,254
Net Revenues	26,223,950
Plus: Pledged Retained Tuition & Fees	200,833,424
Total Available for Debt Service	\$ 227,057,374
Maximum Annual Debt Service	\$ 20,970,723
Coverage Ratio Based on Net Revenues	125%
Coverage Ratio as Defined in the Bond Resolution	1083%

HAFS RETIREMENT OF INDEBTEDNESS

The net position is restricted for the following purposes as of June 30, 2024:

Bond and Interest Sinking Fund Account	\$ 1,401,144
Debt Service Reserve Account	6,100,000
	\$ 7,501,144

HAFS RENEWALS AND REPLACEMENTS

The bond resolution requires the Treasurer to transfer annually to Renewals and Replacements from the funds remaining in unrestricted net position, the sum of 10% of the maximum annual net debt service requirement or such portion thereof as is available for transfer. The maximum amount which may be accumulated in said account shall not exceed 5% of the replacement cost of the facilities constituting the System, plus 20% of the book value of the

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
DATA REQUIRED BY BOND RESOLUTIONS (UNAUDITED)
For the Year Ended June 30, 2024

HAFS RENEWALS AND REPLACEMENTS (continued)

movable equipment within the System, plus either 10% of the historical cost of the parking lots or 100% of the estimated cost of resurfacing any one existing parking lot which is part of the System.

Additions during the year included transfers from unrestricted net position of \$3,717,872 and investment income of \$595,222. Expenditures charged to the reserve amounted to \$3,226,433

The net position of Renewals and Replacements consisted of the following as of June 30, 2024:

Pooled Cash & Investments	\$ 27,864,635
Accrued Interest Receivable	189,602
Accounts Payable	<u>(256,423)</u>
	<u>\$ 27,797,814</u>

HAFS SCHEDULE OF BONDS PAYABLE OUTSTANDING

A Schedule of Bonds Payable Outstanding is shown as supplementary information and lists the amount of Housing and Auxiliary Facilities System Revenue Project and Refunding Bonds and Revenue Bonds Series 2022A, 2021A, 2019A, 2015B, 2015A, 2012B, and 1999A issued and outstanding as of June 30, 2024.

HAFS RESTRICTED NET POSITION – EXPENDABLE

Restricted net position as of June 30, 2024 are comprised of the following:

Retirement of indebtedness	\$ 7,501,144
Renewals and replacements	27,797,814
Unexpended	<u>561,691</u>
	<u>\$ 35,860,649</u>

HAFS OPERATIONS NET POSITION

Operating net position as of June 30, 2024 consisted of the following:

Pooled Cash & Investments	\$ 30,512,930
Accrued Interest Receivable	47,695
Accounts Payable	<u>(1,329,782)</u>
	<u>\$ 29,230,843</u>