

**STATE OF ILLINOIS  
NORTHERN ILLINOIS UNIVERSITY**

**REPORT REQUIRED UNDER  
*GOVERNMENT AUDITING STANDARDS*  
FOR THE YEAR ENDED JUNE 30, 2009**

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

**State of Illinois  
Northern Illinois University**

**Table of Contents**

	<b><u>Page</u></b>
Agency Officials	2
Summary	3
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	4-5
Schedule of Findings	6
Prior Finding Not Repeated	7

**STATE OF ILLINOIS  
NORTHERN ILLINOIS UNIVERSITY**

**AGENCY OFFICIALS**

John G. Peters	President
Raymond W. Alden III	Executive Vice President and Provost
Eddie R. Williams	Executive Vice President, Business and Finance, and Chief of Operations
Anne C. Kaplan	Vice President, Administration
Mike Malone	Vice President, Development and University Relations
Kathryn Buettner	Vice President, External Affairs
Kenneth Davidson	Vice President and General Counsel
Danielle Schultz	Acting Director of Internal Audit
<u>Financial Staff</u>	
Robert Albanese	Associate Vice President, Finance and Facilities
Keith Jackson	Controller

**NIU Office is located at:**

300 Altgeld Hall  
DeKalb, Illinois 60115

**STATE OF ILLINOIS  
NORTHERN ILLINOIS UNIVERSITY**

**Government Auditing Report Summary**

The audit of the financial statements of the Northern Illinois University (University) was performed by Clifton Gunderson LLP in accordance with *Government Auditing Standards*. This report is an integral part of that audit.

Based on their audit, the auditors expressed an unqualified opinion on the University's basic financial statements, issued under a separate cover.

**Summary of Findings**

The auditors did not identify any matters involving the University's internal control over financial reporting that they considered to be a significant deficiency or material weakness.

**Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed  
in Accordance With *Government Auditing Standards***

Honorable William G. Holland  
Auditor General  
State of Illinois  
and  
Cherilyn G. Murer, Honorable Chair of the  
Legislative, Audit and External Affairs Committee  
of the Board of Trustees

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the business-type activities of Northern Illinois University (University) and its aggregate discretely presented component units, collectively a component unit of the state of Illinois, as of and for the year ended June 30, 2009 which collectively comprise the University's financial statements, and have issued our report thereon dated January 27, 2010. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the University's discretely presented component units, as described in our report on the University's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the University's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements and not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

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

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, University management, the University Board of Trustees and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Clifton Henderson LLP*

Peoria, Illinois  
January 27, 2010

**STATE OF ILLINOIS  
NORTHERN ILLINOIS UNIVERSITY  
SCHEDULE OF FINDINGS  
For the Year Ended June 30, 2009**

None noted.

**STATE OF ILLINOIS  
NORTHERN ILLINOIS UNIVERSITY  
PRIOR FINDING NOT REPEATED  
For the Year Ended June 30, 2009**

**A. Finding: Financial Statement Preparation**

During the prior examination, we noted that the University did not provide the auditors with complete and accurate financial statements presented in accordance with generally accepted accounting principles. (Finding Code Nos. 08-1, 07-1, 06-1)

**Disposition:**

In the current year, our audit of the financial statements did not detect any material misstatements.