

**NORTHERN ILLINOIS UNIVERSITY**  
**(A Component Unit of the State of Illinois)**

**Report Required Under**  
***Government Auditing Standards***

For the Year Ended June 30, 2019

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



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WEALTH ADVISORY  
OUTSOURCING  
AUDIT, TAX, AND  
CONSULTING

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**NORTHERN ILLINOIS UNIVERSITY**  
**(A Component Unit of the State of Illinois)**  
**Government Auditing Standards Report**  
**For the Year Ended June 30, 2019**

**NORTHERN ILLINOIS UNIVERSITY**

**UNIVERSITY OFFICIALS**

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Acting President (July 1, 2018 - September 19, 2018) President (from September 20, 2018)	Dr. Lisa C. Freeman
Acting Executive Vice President and Provost (July 1, 2018 through May 15, 2019) Executive Vice President and Provost (from May 16, 2019)	Christopher McCord Beth Ingram
Vice President for Administration and Finance and Chief Financial Officer	Sarah McGill
Acting Associate Vice President for Finance and Treasury (July 1, 2018 - July 31, 2018) Associate Vice President for Finance and Treasury (from August 1, 2018)	Shyree Sanan
Vice President for Research and Innovation Partnerships	Gerald Blazey
Acting Vice President and General Counsel (July 1, 2018 - June 30, 2019) Vice President and General Counsel (from July 1, 2019)	Gregory A. Brady Bryan Perry
Vice President for Enrollment Management, Marketing and Communications	Sol Jensen
Vice President for Outreach, Engagement and Regional Development	Anne C. Kaplan
Vice President for University Advancement	Catherine Squires
Director of Internal Audit	Danielle Schultz

**FINANCIAL STAFF**

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Controller (from March 18, 2019)	Jason Askin
Deputy Controller (from April 15, 2019)	Greg Martyn
Financial Reporting Manager	Kathy Marshall

**NIU Office is located at:**

300 Altgeld Hall  
DeKalb, Illinois 60115

**NORTHERN ILLINOIS UNIVERSITY**  
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***Government Auditing Standards Report***  
**For the Year Ended June 30, 2019**

**Summary**

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

Based on their audit and the reports of other auditors, the auditors expressed unmodified opinions on the University's basic financial statements.

**Exit Conference**

The University waived an exit conference in correspondence dated December 16, 2019.



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

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

**Report on the Financial Statements**

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the 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, the financial statements of the business-type activities and the aggregate discretely presented component units of Northern Illinois University, collectively a component unit of the State of Illinois, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Northern Illinois University's basic financial statements, and we have issued our report thereon dated December 20, 2019.

Our report includes a reference to other auditors who audited the financial statements of the aggregate discretely presented component units, as described in our report on Northern Illinois University's financial statements. The financial statements of the Northern Illinois University Foundation, the Northern Illinois University Alumni Association, and the Northern Illinois Research Foundation, component units of Northern Illinois University, were not audited in accordance with *Government Auditing Standards* and, accordingly, this report does not include reporting on internal control or compliance and other matters associated with these component units.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Northern Illinois University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

## **Internal Control Over Financial Reporting**

Management of Northern Illinois University is responsible for establishing and maintaining effective internal control over financial reporting (internal control).

In planning and performing our audit of the financial statements, we considered Northern Illinois University's internal control to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Northern Illinois University's internal control. Accordingly, we do not express an opinion on the effectiveness of Northern Illinois University's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Purpose of this Report**

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

**SIGNED ORIGINAL ON FILE**

### **CliftonLarsonAllen LLP**

Oak Brook, Illinois  
December 20, 2019

**NORTHERN ILLINOIS UNIVERSITY**  
**(A Component Unit of the State of Illinois)**  
**PRIOR YEAR FINDINGS NOT REPEATED – GOVERNMENT AUDITING STANDARDS**  
**For the Year Ended June 30, 2019**

**A. Finding 2018-001                      Financial Reporting Process**

Northern Illinois University's (the University) internal controls over financial reporting were not sufficient to prevent material misstatements.

During the prior audit of the significant balances comprising the University's financial statements, we noted errors and deficiencies related to capital asset recognition and reporting, inter-entity transactions, and revenue recognition.

**Disposition:**

During the current year audit, we noted the University strengthened their internal controls over reporting capital assets, inter-entity transactions, and revenue recognition in order to ensure adherence to accounting principles generally accepted in the United States of America. (Finding Code No. 2018-001, 2017-001, 2016-001, 2015-001, 2014-001, 2013-001, 12-1, 11-1)

**B. Finding 2018-002                      Untimely Cash Reconciliations**

Northern Illinois University's monthly reconciliations for cash accounts were not prepared and reviewed on a timely basis during the year ended June 30, 2018.

During the prior audit, we noted cash reconciliations were being prepared and reviewed between one and three months after the close of the monthly general ledger for the period of July through December 2017.

**Disposition:**

During the current year audit, we noted the University strengthened their internal controls over cash reconciliations and the exceptions noted during our sample testing were less severe than in the prior year. This finding has been moved to the University's State Compliance report. (Finding Code No. 2018-002, 2017-004)

