

STATE OF ILLINOIS
SOUTHERN ILLINOIS UNIVERSITY
Reports Required Under
***Government Auditing Standards* for**
Southern Illinois University
Housing and Auxiliary Facilities System
and
Medical Facilities System

For the Year Ended June 30, 2016

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



CliftonLarsonAllen

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Southern Illinois University Board of Trustees and Officers of Administration Fiscal Year 2016

BOARD OF TRUSTEES OF SOUTHERN ILLINOIS UNIVERSITY

Randal Thomas, Chair
Donna Manering, Vice Chair
Joel Sambursky, Secretary
J. Phil Gilbert
Roger Herrin
Shirley Portwood
Dillon Santoni
Allen Shelton
Amy Sholar

Springfield
Makanda
Carbondale
Carbondale
Harrisburg
Godfrey
Edwardsville
Carbondale
Alton

OFFICERS OF SOUTHERN ILLINOIS UNIVERSITY

Randy J. Dunn, President
Lucas Crater, General Counsel
James Allen, Acting Vice President, Academic Affairs (7/20/15 to 6/30/16)
Duane Stucky, Senior Vice President, Financial and Administrative Affairs, and Board Treasurer
Misty Whittington, Executive Secretary of the Board

OFFICERS OF ADMINISTRATION, SOUTHERN ILLINOIS UNIVERSITY CARBONDALE

W. Bradley Colwell, Interim Chancellor (10/1/15 to 6/30/16)
Susan M. Ford, Interim Provost & Vice Chancellor for Academic Affairs
J. Kevin Dorsey, Dean and Provost, School of Medicine (7/1/15 to 12/31/15)
Jerry Kruse, Dean and Provost, School of Medicine (1/1/16 to 6/30/16)
Kevin D. Bame, Vice Chancellor for Administration and Finance
James Garvey, Interim Vice Chancellor for Research
Lori Stettler, Interim Vice Chancellor for Student Affairs
James Salmo, Vice Chancellor for Development and Alumni Relations

OFFICERS OF ADMINISTRATION, SOUTHERN ILLINOIS UNIVERSITY EDWARDSVILLE

Julie Furst-Bowe, Chancellor (7/1/15 to 8/14/15)
Stephen Hansen, Interim Chancellor (8/17/15 to 6/30/16)
Parviz Ansari, Provost and Vice Chancellor for Academic Affairs (7/1/15 to 11/1/15)
Denise Cobb, Interim Provost and Vice Chancellor for Academic Affairs (1/1/16 to 6/30/16)
Jeffrey Waple, Vice Chancellor for Student Affairs
Kenneth Neher, Vice Chancellor for Administration (7/1/15 to 5/31/16)
Rich Walker, Interim Vice Chancellor for Administration (6/1/16 to 6/30/16)
Rachel Stack, Vice Chancellor for University Advancement

STATE OF ILLINOIS
SOUTHERN ILLINOIS UNIVERSITY
Government Auditing Standards Report

Summary

The audit of the financial statements of Southern Illinois University (University), Southern Illinois University Housing and Auxiliary Facilities System (HAFS), and Southern Illinois University Medical Facilities System (MFS) 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 an unmodified opinion on the University's basic financial statements. Based on their audits, the auditors expressed unmodified opinions on HAFS's and MFS's basic financial statements.



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
Southern Illinois University

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 of Southern Illinois 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, 2016, and the related notes to the financial statements, which collectively comprise Southern Illinois University's basic financial statements, and have issued our report thereon dated December 21, 2016.

Our report includes a reference to other auditors. Other auditors audited the financial statements of Southern Illinois University's discretely presented component units, as described in our report on Southern Illinois University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Association of Alumni, Former Students and Friends of Southern Illinois University, Inc. (at Carbondale), was not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Southern Illinois University's internal control over financial reporting (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 Southern Illinois University's internal control. Accordingly, we do not express an opinion on the effectiveness of Southern 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Southern 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*.

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 Southern 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 Southern Illinois University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

CliftonLarsonAllen LLP

Peoria, Illinois
December 21, 2016



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
Southern Illinois University

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 of the Southern Illinois University Housing and Auxiliary Facilities System (the "System"), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and have issued our report thereon dated December 21, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the System's internal control over financial reporting (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 the System's internal control. Accordingly, we do not express an opinion on the effectiveness of the System's internal control.

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Honorable Frank J. Mautino
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CliftonLarsonAllen LLP

Peoria, Illinois
December 21, 2016