

**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, 2019

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

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### **Other Reports Issued Under a Separate Cover**

Southern Illinois University’s *Compliance Examination* (including the Single Audit) for the year ended June 30, 2019 will be issued under a separate cover at a later date. Additionally, the University’s financial statements as of and for the year ended June 30, 2019 have been issued under a separate cover.

**Southern Illinois University**  
**Board of Trustees and**  
**Officers of Administration**  
**Fiscal Year 2019**

**BOARD OF TRUSTEES OF SOUTHERN ILLINOIS UNIVERSITY**

Amy Sholar, member; Chair (7/01/18 to 02/14/19)	Alton
J. Phil Gilbert, Vice Chair (07/01/18 to 02/14/19), Chair (02/14/19 to 06/30/19)	Carbondale
Ed Hightower, member (3/22/19); Vice Chair (03/27/19 to 06/30/19)	Edwardsville
Joel Sambursky, Secretary (07/01/18 to 03/22/19)	Carbondale
Roger Tedrick, member (3/22/19); Secretary (03/27/19 to 06/30/19)	Mt.Vernon
Thomas Britton (7/01/18 to 3/22/19)	Makanda
Shirley Portwood, member; Vice Chair (02/14/19 to 03/22/19)	Godfrey
Marsha Ryan (07/01/18 to 03/22/19)	Carbondale
Randal Thomas (07/01/18 to 03/22/19)	Springfield
Edgar Curtis (03/22/19 to 06/30/19)	Springfield
Brione Lockett – Student Elected	Carbondale
Subhash Sharma (03/22/19 to 06/30/19)	Carbondale
John Simmons (03/22/19 to 06/30/19)	Alton
Molly Smith – Student Elected	Edwardsville

**OFFICERS OF SOUTHERN ILLINOIS UNIVERSITY**

Randy J. Dunn, President (7/1/18 to 7/15/18)  
J. Kevin Dorsey, Interim President (7/16/18 to 6/30/19)  
Lucas Crater, General Counsel  
W. Bradley Colwell, Vice President, Student and Academic Affairs (7/1/18 to 4/3/19)  
James S. Allen, Acting Vice President, Student and Academic Affairs (4/15/19 to 6/30/19)  
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**

Carlo Montemagno, Chancellor (7/1/18 to 10/11/18)  
John M. Dunn, Interim Chancellor (1/1/19 to 6/30/19)  
Meera Komaraju, Provost and Vice Chancellor for Academic Affairs  
Jerry Kruse, Dean and Provost, Chief Executive Officer, SIU School of Medicine  
Judith M. Marshall, Vice Chancellor for Administration and Finance  
James Garvey, Interim Vice Chancellor for Research  
Lori Stettler, Vice Chancellor for Student Affairs  
James Salmo, Vice Chancellor for Development and Alumni Relations (7/1/18 to 12/31/18)  
Rae Goldsmith, Interim Vice Chancellor for Development and Alumni Relations (1/1/19 to 6/30/19)

## **OFFICERS OF ADMINISTRATION, SOUTHERN ILLINOIS UNIVERSITY EDWARDSVILLE**

Randall Pembroke, Chancellor  
P. Denise Cobb, Provost and Vice Chancellor for Academic Affairs  
Jeffrey Waple, Vice Chancellor for Student Affairs  
Rich Walker, Vice Chancellor for Administration  
Rachel Stack, Vice Chancellor for University Advancement

### **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

**STATE OF ILLINOIS  
SOUTHERN ILLINOIS UNIVERSITY  
Financial Audit  
For the Year Ended June 30, 2019**

***Report Required under Government Auditing Standards***

**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 Plante & Moran, PLLC in accordance with *Government Auditing Standards*. This report is an integral part of that audit.

Based on their audit, the auditors expressed an unmodified opinion on the University's basic financial statements and on HAFS's and MFS's financial statements, issued under separate cover.

**Exit Conference**

An exit conference was waived in correspondence from Kim Labonte, Executive Director of Internal Audit on January 21, 2020.

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

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

**Report on the Financial Statements**

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business type activities of Southern Illinois University and its aggregate discretely presented component units (the "University"), collectively a component unit of the State of Illinois, as of June 30, 2019 and for the year then ended, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and we have issued our report thereon dated January 21, 2020.

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 the University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting (internal control) 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), The Alumni Association of Southern Illinois University Edwardsville, and Southern Illinois University Edwardsville Foundation, component units of the 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 the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

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

### **Internal Control Over Financial Reporting**

Management of the 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 the 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 the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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**Plante & Moran, PLLC**

Portage, Michigan  
January 21, 2020

**SOUTHERN ILLINOIS UNIVERSITY**  
**(A Component Unit of the State of Illinois)**  
**PRIOR FINDINGS NOT REPEATED**  
**For the Year Ended June 30, 2019**

**A. Finding: Insufficient Controls over Depreciation Calculation**

During the prior engagement period, Southern Illinois University used incorrect service periods in the depreciation calculation for building renovations placed into service from construction in process.

Status: Not Repeated

During the current engagement period, our sample testing indicated the University's established controls over the review of assets placed into service from construction in process properly calculated depreciation based on date placed in service. Additionally, the University created a policy to specifically address projects with staggered completion dates to identify situations where more than one asset number is warranted. (Finding Code No. 2018-001)



**INDEPENDENT AUDITOR'S REPORT  
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Honorable Frank J. Mautino  
Auditor General  
State of Illinois  
and  
Board of Trustees  
Southern Illinois University

**Report on the Financial Statements**

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business type activities of Southern Illinois University Housing and Auxiliary Facilities System (the "System"), a segment of Southern Illinois University, as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and we have issued our report thereon dated January 21, 2020.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether System'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 the System is responsible for establishing and maintaining effective internal control over financial reporting (internal control).

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Honorable Frank J. Mautino  
Auditor General  
State of Illinois  
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Board of Trustees  
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**Plante & Moran, PLLC**

Portage, Michigan  
January 21, 2020

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

**Report on the Financial Statements**

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business type activities of Southern Illinois University Medical Facilities System (the "System"), a segment of Southern Illinois University, as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and we have issued our report thereon dated January 21, 2020.

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**Plante & Moran, PLLC**

Portage, Michigan  
January 21, 2020