

State of Illinois

Southern Illinois University

Report of the Treasurer

For the Years Ended

June 30, 2014 and 2013

STATE OF ILLINOIS
SOUTHERN ILLINOIS UNIVERSITY
HOUSING and AUXILIARY FACILITIES SYSTEM
ANNUAL FINANCIAL REPORT
For The Years Ended June 30, 2014 and 2013

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TREASURER'S COMMENTS

HOUSING AND AUXILIARY FACILITIES SYSTEM

I. SOUTHERN ILLINOIS UNIVERSITY REVENUE BOND OPERATIONS

FACILITIES

Facilities included in the Southern Illinois University Housing and Auxiliary Facilities System (the "System") were acquired in fourteen phases. The first

TREASURER'S COMMENTS – Continued

(b) (7) - FINANCIAL STATEMENTS

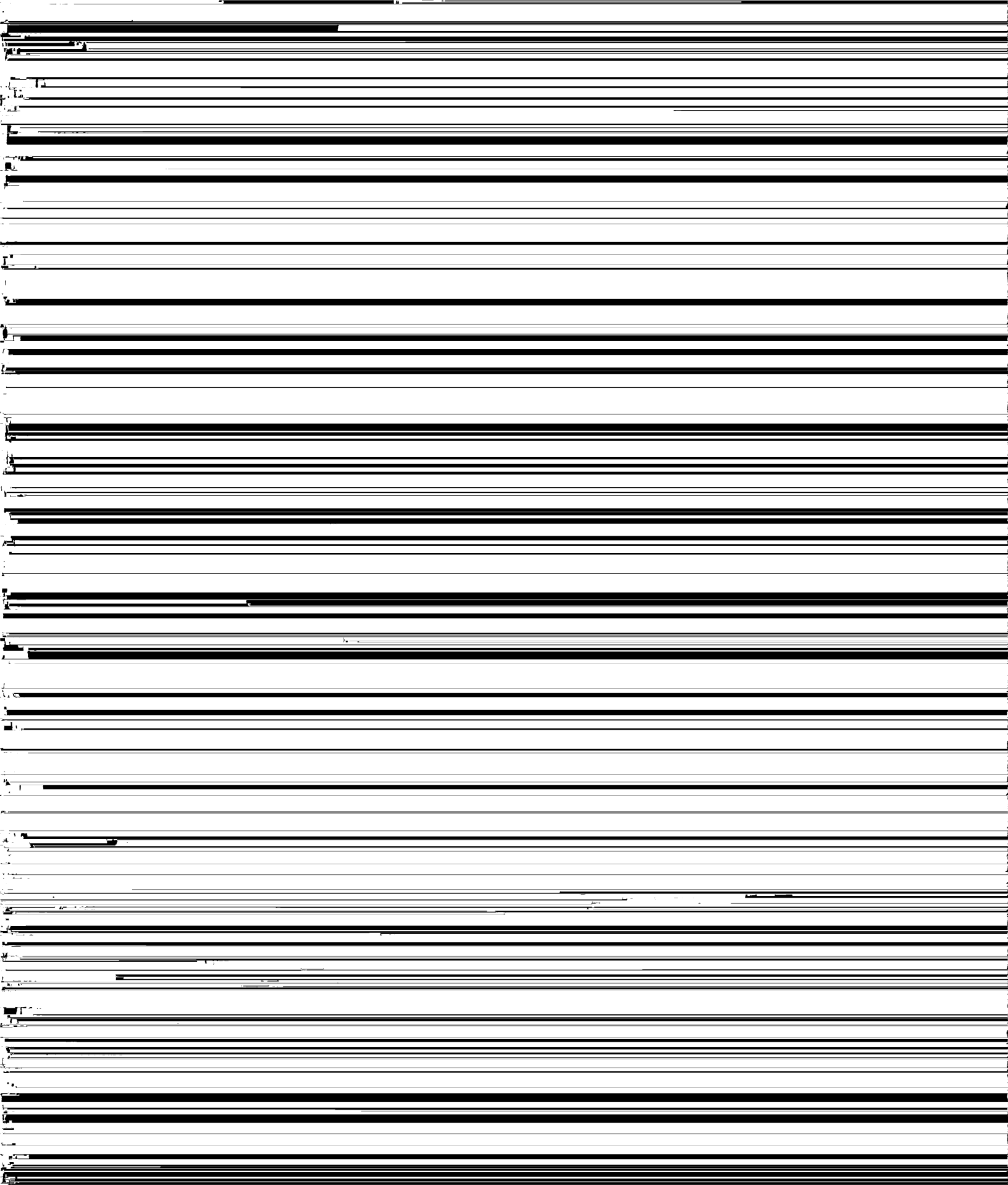
... contract, either as a full or partial payment, without extending the final maturity date, in December 2012. The

...

... (the "Debt") for the purpose of consolidating the debt, effecting a cost savings, or resolving

IV. DEBT SERVICE COVERAGES

... debt service ratio shall be at least 100% of the maximum annual debt service



Southern Illinois University

Board of Trustees

Officers of Administration

Fiscal Years 2014 and 2013

BOARD OF TRUSTEES OF SOUTHERN ILLINOIS UNIVERSITY

Randal Thomas, Chair
Deena Manering, Vice Chair

Springfield
Makanda

FINANCIAL STATEMENT REPORT

SUMMARY

The audit of the accompanying basic financial statements of [Organization Name] for the year ended [Date] was conducted in accordance with the standards of the Institute of Certified Public Accountants of the State of [State].

Honorable William G. Holland
Auditor General, State of Illinois
and
Board of Trustees
Southern Illinois University

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the business-type activities of the Southern Illinois University Housing and Auxiliary Facilities System (“the System”) as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the System’s basic financial statements as listed in the table of contents.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in _____, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements 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 entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities for the System as of June 30, 2014 and 2013, and the changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the financial statements, in 2014 the University adopted new accounting guidance, GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. Our opinion is not modified with respect to this matter.

As discussed in note 1A, the financial statements of the System are intended to present the financial position, the changes in financial position, and cash flows of only that portion of the business-type activities of Southern Illinois University that is attributable to the transactions of the System. They do not purport to, and do not, present fairly the financial position of Southern Illinois University as of June 30, 2014 and 2013, and its changes in financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management has omitted the Management's Discussion and Analysis has

In

SOUTHERN ILLINOIS UNIVERSITY
HOUSING AND AUXILIARY FACILITIES SYSTEM
STATEMENTS OF NET POSITION
June 30, 2014 and 2013

2014

2013

NET ASSETS OR DEFERRED CONTRIBUTIONS OF RESOURCES

CURRENT ASSETS:

Cash and cash equivalents

\$ 23,387,174

\$ 19,934,431

Port and cash equivalents restricted

20,240,102

40,514,502

Short-term investments - restricted

12,200,264

10,025,285

SOUTHERN ILLINOIS UNIVERSITY

Years Ended June 30, 2014 and 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		

University student centers	16,980,232	15,709,368
Sales and services	8,207,469	8,252,267
Student fees		

SOUTHERN ILLINOIS UNIVERSITY
HOUSING AND AUXILIARY FACILITIES SYSTEM
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

1. Significant Accounting Policies

These financial statements include all financial activities over which the Southern Illinois University Housing and Auxiliary Facilities System has control. The System combines the operations of the individual housing units, the student centers

**SOUTHERN ILLINOIS UNIVERSITY
HOUSING AND AUXILIARY FACILITIES SYSTEM
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013**

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.

(B) Merchandise For Resale

Merchandise for resale includes inventories which 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 Student Center University Bookstore on the

Carbondale campus has been leased to Follett Higher Education Group Inc. since May 8, 2001.

(C) Buildings, Improvements and Equipment

Buildings, improvements and equipment are recorded at cost less accumulated depreciation. The buildings are located on land owned by

HOUSING AND AUXILIARY FACILITIES SYSTEM
NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

The System has adopted the first-in, first-out (FIFO) distribution method. As of June 30, 2014 and 2013, the System has the following

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SOUTHERN ILLINOIS UNIVERSITY
 HOUSING AND AUXILIARY FACILITIES SYSTEM
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2014 and 2013

4. Capital Assets

Capital asset activity for the year ended June 30, 2014 is as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Land	\$ 605,395	\$ -	\$ -	\$ -	\$ 605,395

SOUTHERN ILLINOIS UNIVERSITY
HOUSING AND AUXILIARY FACILITIES SYSTEM
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

5. Changes in Long-Term Liabilities

The following table summarizes the changes in long-term liabilities for the periods ended June 30, 2014 and 2013 as follows:

Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
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SOUTHERN ILLINOIS UNIVERSITY
HOUSING AND AUXILIARY FACILITIES SYSTEM
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

(D) Series 2008A Bonds

These bonds were authorized by the Board under the Twelfth Supplemental Bond Resolution dated April 10, 2008 and were issued as

interest rates ranging from 3.00 to 5.50 percent and were issued to finance the construction and equipping of a Student Success Center on the Edwardsville campus; the construction and equipping of an expansion to the Student Fitness Center on the Edwardsville campus;

and the installation of sprinklers and other safety/security enhancements to housing on the Carbondale campus. As of June 30, 2014, the balance of the Series 2008A Bonds in the amount of \$20,950,000. The balance as of June 30, 2013 was \$27,927,000.

NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

These financial statements were prepared in accordance with the accounting principles generally accepted in the United States of America by the individual members, officers or agents of

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SOUTHERN ILLINOIS UNIVERSITY
HOUSING AND AUXILIARY FACILITIES SYSTEM
NOTES TO FINANCIAL STATEMENTS

1 - 00-001-0010

7. Related Party Transactions

operations, including those of the System, on the basis of gross revenues generated by each

SOUTHERN ILLINOIS UNIVERSITY
HOUSING AND AUXILIARY FACILITIES SYSTEM

June 30, 2014

REVENUE BONDS

	<u>TOTAL</u>	<u>Principal Amount</u>	<u>Accreted Value at Maturity</u>	<u>Interest Rate</u>
Interest Bearing Bonds:				
Serial Bonds maturing as follows:				
2015	9,830,000	-	-	-
2016	10,350,000	-	-	-
2017	9,440,000	-	-	-
2018	10,450,000	-	-	-
2019	10,910,000	-	-	-
2020	11,430,000	-	-	-
2022	9,570,000	-	-	-
2023	8,310,000	-	-	-
2024	7,950,000	-	-	-
2025	8,295,000	-	-	-
2026	5,450,000	-	-	-
2027	4,095,000	-	-	-
2028	1,970,000	-	-	-
2029	1,715,000	-	-	-
2030	1,785,000	-	-	-
2031	1,860,000	-	-	-
2032	1,640,000	-	-	-
2033	-	-	-	-
2034	-	-	-	-
2035	-	-	-	-
Term Bonds maturing as follows:				
2015	-	-	-	-
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022	-	-	-	-
2023	1,315,000	-	-	-
2024	1,380,000	-	-	-
2026	4,690,000	-	-	-
2027	6,475,000	-	-	-

REVENUE BONDS

REVENUE BONDS

REVENUE BONDS

Principal

Accreted Value

Interest

Principal

Accreted Value

Interest

Principal

Interest

3,975,000

5.000%

3,495,000

5.250%

3,640,000

5.250%

3,835,000

5.250%

3,465,000

5.250%

1,255,000

5.000%

SOUTHERN ILLINOIS UNIVERSITY
HOUSING AND AUXILIARY FACILITIES SYSTEM
SCHEDULE OF BONDS PAYABLE OUTSTANDING
June 30, 2014

	REVENUE BONDS		REVENUE BONDS	
	SERIES 2008A		SERIES 2009A	
	Principal Amount	Interest Rate	Principal Amount	Interest Rate
Interest Bearing Bonds:				
Serial Bonds maturing as follows:				
2015	1,220,000	5.000%	2,185,000	4.125%
2016	1,390,000	5.000%	2,245,000	4.550%
2017	1,540,000	5.000%	2,310,000	4.800%
2018	1,635,000	5.000%	2,385,000	5.000%
2019	1,785,000	5.250%	2,460,000	5.300%
2020	1,935,000	5.000%	2,535,000	5.350%
2021	2,055,000	4.000%	2,635,000	5.450%
2022	2,180,000	5.000%	2,720,000	5.500%
2023	2,310,000	5.000%	2,805,000	5.550%
2024	1,690,000	4.250%	2,930,000	5.900%
2025	1,770,000	4.500%	3,045,000	6.000%
2026	1,815,000	4.500%	-	----
2027	1,890,000	4.500%	-	----
2028	1,970,000	4.500%	-	----
2029	-	----	-	----
2030	-	----	-	----
2031	-	----	-	----
2032	-	----	-	----
2033	-	----	-	----
2034	-	----	-	----
2035	-	----	-	----

Serial Bonds maturing as follows:

