

**EASTERN ILLINOIS UNIVERSITY**

A Component Unit of the State of Illinois

**REPORTS REQUIRED UNDER  
*GOVERNMENT AUDITING STANDARDS***

For the Year Ended June 30, 2025

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

**EASTERN ILLINOIS UNIVERSITY**  
A Component Unit of the State of Illinois  
**FINANCIAL AUDIT**  
For the Year Ended June 30, 2025

**TABLE OF CONTENTS**

	<b><u>Page(s)</u></b>
University Officials	1
<i>Government Auditing Standards</i> Report	
Summary	2
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>	3
Schedule of Findings	
Current Findings	5
Prior Findings Not Repeated	9
Other Reports Issued Under a Separate Cover	
Eastern Illinois University's <i>Federal Single Audit</i> and <i>State Compliance Examination</i> for the year ended June 30, 2025 will be issued under separate covers. Additionally, the University's financial statements as of and for the year ended June 30, 2025 have been issued under a separate cover.	

**EASTERN ILLINOIS UNIVERSITY**  
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**FINANCIAL AUDIT**  
For the Year Ended June 30, 2025

**University Officials**

President	Dr. Jay Gatrell
Provost and Vice President for Academic Affairs (through 5/31/25)	Dr. Ryan C. Hendrickson
Interim Provost and Vice President for Academic Affairs (6/1/25 – present)	Dr. Holly R. Farley
Vice President for Business Affairs	Mr. Matthew J. Bierman
Vice President for Enrollment Management	Mr. Joshua L. Norman
Vice President for Student Affairs	Ms. Anne Flaherty
Vice President for University Advancement	Ms. Miranda L. Spencer
Director of Business Services and Treasurer	Mr. Michael Hutchinson, CPA
General Counsel	Mr. Austin J. Hill
Director of Internal Auditing	Ms. Natalee Black, CPA

**Board of Trustees (as of June 30, 2025)**

Chairperson	Mr. C. Christopher Hicks
Vice Chairperson	Ms. Julie Everett
Secretary	Ms. Joyce Madigan
Member – Pro Tem	Ms. Barb Baurer
Member	Dr. Timi Ngoboh
Member	Dr. Bernie C. Ranchero
Member	Vacant
Student Member	Ms. Ameenah Morris

**University Office**

Eastern Illinois University's primary administrative office is located at 600 Lincoln Avenue, Charleston, Illinois, 61920.

**EASTERN ILLINOIS UNIVERSITY**  
A Component Unit of the State of Illinois  
**FINANCIAL AUDIT**  
For the Year Ended June 30, 2025

**REPORT REQUIRED UNDER GOVERNMENT AUDITING STANDARDS**

**SUMMARY**

The audit of the financial statements of Eastern Illinois University (University) 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, issued under a separate cover.

**SUMMARY OF FINDINGS**

The auditors identified one matter involving the University's internal control over financial reporting that they considered to be a material weakness. Further, the auditors identified one noncompliance matter.

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
<b>Current Findings</b>				
2025-001	5	2024/2020	Inadequate Internal Controls over Census Data	Material Weakness and Noncompliance

**Prior Findings Not Repeated**

A	9	2024/2024	Inadequate Internal Controls over Recognition of Insurance Proceeds Received
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**EXIT CONFERENCE**

The University waived an exit conference in a correspondence from Mike Hutchinson, Director of Business Services and Treasurer, on December 4, 2024. The response to the recommendation for item 2025-001 was provided by Mike Hutchinson, Director of Business Services and Treasurer, in a correspondence dated March 17, 2025.

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*

**Independent Auditor's Report**

To Management and the Honorable Frank J. Mautino  
Auditor General  
State of Illinois

and

Board of Trustees  
Eastern Illinois University

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, fiduciary activities and the aggregate discretely presented component units of Eastern Illinois University (the "University"), collectively a component unit of the State of Illinois, as of and for the year ended June 30, 2025 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 December 9, 2025. Our report includes a reference to other auditors who audited the financial statements of Eastern Illinois University Foundation and Eastern Illinois University Alumni Association, 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 or compliance and other matters that are reported on separately by those auditors.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing 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 second paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings as item 2025-001 that we consider to be a material weakness.

## **Report on 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 financial statements. 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings as item 2025-001.

## **University's Response to the Finding**

Government Auditing Standards requires the auditor to perform limited procedures on the University's responses to the findings identified in our audit and described in the accompanying Schedule of Findings. The University's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **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.

**SIGNED ORIGINAL ON FILE**

December 9, 2025

**EASTERN ILLINOIS UNIVERSITY**  
A Component Unit of the State of Illinois  
**SCHEDULE OF FINDINGS – GOVERNMENT AUDITING STANDARDS FINDINGS**  
For the Year Ended June 30, 2025

**2025-001. Finding – Inadequate Internal Controls over Census Data**

The Eastern Illinois University (University) did not have adequate internal control over reporting its census data to provide assurance that the census data submitted to the State Universities Retirement System (System) and State Employees' Group Insurance Program (Plan) was complete and accurate.

Census data is demographic data (date of birth, gender, years of service, etc.) of the active, inactive, or retired members of a pension or other postemployment benefit (OPEB) plan. The accumulation of inactive or retired members' census data occurs before the current accumulation period of census data used in the plan's actuarial valuations (which eventually flows into each employer's financial statements), meaning the plan is solely responsible for establishing internal controls over these records and transmitting this data to the plan's actuary. In contrast, responsibility for active members' census data during the current accumulation period is split among the plan and each member's current employer(s). Initially, employers must accurately transmit census data elements of their employees to the plan. Then, the plan must record and retain these records for active employees and then transmit this census data to the plan's actuary.

We noted the University's employees are members of both the pension plan administered by the System and the Plan sponsored by the State of Illinois, Department of Central Management Services (CMS) for their OPEB. In addition, we noted these plans have characteristics of different types of pension and OPEB plans, including single employer plans and cost-sharing multiple-employer plans. Additionally, CMS' actuary uses census data for employees of the State's public universities provided by the System, along with census data for other participating members provided by the State's four other pension systems, to prepare their projection of the liabilities of the Plan. Finally, the System's actuary and CMS' actuary used census data transmitted by the University during fiscal year 2023 to project pension and OPEB-related balances and activity at the plans during fiscal year 2024, which is incorporated into the University's fiscal year 2025 financial statements.

During the performance of the census examination, the auditors noted the following:

- While the University had performed an initial complete reconciliation of its census data recorded by the System to its internal records, the University had not fully developed a process to annually obtain from the System the incremental changes recorded by the System in the census data records and reconcile these changes back to the University's internal supporting records.
- During completeness testing of University faculty data, the auditors identified six instructors were not reported as eligible to participate in the System and the Plan by the University.
- During cut-off testing of data transmitted by the University to the System, the auditors identified fourteen employee termination events were reported to the System after the close of the fiscal year in which the event occurred, resulting in inaccurate member status (active or inactive) as of fiscal year-end.

**EASTERN ILLINOIS UNIVERSITY**  
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**SCHEDULE OF FINDINGS – GOVERNMENT AUDITING STANDARDS FINDINGS**  
For the Year Ended June 30, 2025

The result of the errors above led to contributions due to the plan being understated and inaccurate census data being utilized by the System and the State in the performance of the annual pension and OPEB actuarial valuation processes. The independent actuaries utilized by the System and the State of Illinois for the pension and OPEB plans deemed the errors immaterial to the plan level valuations as a whole.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative control to provide assurance funds applicable to operations are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports.

Additionally, eligibility criteria for participation in the System under the Illinois Pension Code (Code) (40 ILCS 5/15-134(a)) states any person who is an employee of the University becomes a participant in the System. Under the Code (40 ILCS 5/15-107), an employee is any member of the educational, administrative, secretarial, clerical, mechanical, labor, or other staff of an employer whose employment in a position in which services are expected to be rendered on a continuous basis for at least four months or an academic term, whichever is less, and is:

1. Not a student employed on a less than full-time temporary basis;
2. Not receiving a retirement or disability annuity from the System;
3. Not on military leave;
4. Not eligible to participate in the Federal Civil Service Retirement System;
5. Not currently on a leave of absence without pay more than 60 days after the termination of the System's disability benefits;
6. Not paid from funds received under the Federal Comprehensive Employment and Training Act as a public service employment program participant hire on or after July 1, 1979;
7. Not a patient in a hospital or home;
8. Not an employee compensated solely on a fee basis where such income would net earnings from self-employment;
9. Not providing military courses pursuant to a federally funded contract where the University has filed a written notice with the System electing to exclude these persons from the definition of employee;
10. Currently on lay-off status of not more than 120 days after the lay-off date;
11. Not on an absence without pay of more than 30 days; and
12. A nonresident alien on a visa defined under subparagraphs (F), (J), (M), or (Q) of Section 1101(a)(15) of Title 8 of the United States Code who (1) has met the Internal Revenue Service's substantial presence test and (2) became an employee on and after July 1, 1991.



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For the Year Ended June 30, 2025

In addition, the Code (40 ILCS 5/15-157) requires the University to, at a minimum, withhold contributions of each employee's total compensation of 8% (9.5% for firefighters or police officers) for their participation in the System, unless further contributions by the employee would either exceed the maximum retirement annuity in the Code (40 ILCS 5/15-136(c)) or the Tier 2 earnings limitation within the Code (40 ILCS 5/15-111(b)), and remit these amounts to the System. Further, the Code (40 ILCS 5/15-155(b)) requires the University to remit employer contributions to the System reflecting the accruing normal costs of an employee paid from federal or trust funds.

Finally, we noted participation in the OPEB is derivative of an employee's eligibility to participate in the System, as members of the System participate in OPEB as annuitants under the State Employees Group Insurance Act of 1971 (Act) (5 ILCS 375/3(b)).

University officials stated that the exceptions were due to turnover within the Human Resources area and a lack of employee training. Many of the exceptions also involved employees with irregular contracts, such as adjunct instructors.

Failure to ensure that complete and accurate census data, as well as employee and employer contributions are reported to the System and the State reduces the overall reliability of the pension and OPEB-related balances and activity reported in the University's financial statements, the financial statements of other employers within both plans, and the State of Illinois' Annual Comprehensive Financial Report. Further, failure to report all eligible employees to the System and Plan may result in employees not receiving the pension and OPEB benefits they are entitled to receive under the Code and the Act. (Finding Code No. 2025-001, 2024-001, 2023-001, 2022-001, 2021-001, 2020-001)

**Recommendation:**

We recommend the University continue to work with the System to establish the process of annually obtaining from the System the incremental changes recorded in the census data records and reconcile these changes back to the University's internal supporting records. If differences are noted between the University's data and the System's data, these differences should be communicated timely and rectified to ensure the actuarial valuations are using accurate data.

Further, we recommend the University strengthen controls to ensure all eligible employees are reported to the System and State, along with any required employee and employer contributions.

Finally, we recommend the University strengthen controls to ensure all events occurring within the census data accumulation year are reported timely to the System so these events can be incorporated into the census data utilized in the annual actuarial valuation process.

**EASTERN ILLINOIS UNIVERSITY**  
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**SCHEDULE OF FINDINGS – GOVERNMENT AUDITING STANDARDS FINDINGS**  
For the Year Ended June 30, 2025

**University Response:**

The University agrees with the auditor's recommendation. We continue to work with the State Universities Retirement System to report on differences in the incremental changes for 2023 and 2024 between the University's and SURS' records. The University has also communicated the requirements in the Illinois Pension Code and SURS' regulations to Benefits staff and placed that information in a procedures book maintained by Benefits staff. We will continue to have differences in timely reporting due to employee benefit payouts unless SURS changes its procedures for when they will accept terminations.

**EASTERN ILLINOIS UNIVERSITY**  
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**SCHEDULE OF FINDINGS – PRIOR FINDINGS NOT REPEATED**  
**For the Year Ended June 30, 2025**

A. **FINDING** Inadequate Internal Controls over Recognition of Insurance Proceeds Received

During the prior audit, the University did not have adequate internal controls over insurance proceeds received to ensure amounts were recognized as revenue in the correct period.

During the current audit, the University implemented controls and procedures that allowed for any insurance proceeds received to be recognized as revenue in the correct period to be in compliance with GAAP basis financial statements. (Finding Code No. 2024-002)