



STATE OF ILLINOIS  
**OFFICE OF THE  
 AUDITOR GENERAL**

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

**NORTHERN ILLINOIS UNIVERSITY**

**Financial Audit  
 For the Year Ended June 30, 2025**

**Release Date: March 5, 2026**

FINDINGS THIS AUDIT: 2				AGING SCHEDULE OF REPEATED FINDINGS			
	<u>New</u>	<u>Repeat</u>	<u>Total</u>	<u>Repeated Since</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
<b>Category 1:</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>No Repeat Findings</b>			
<b>Category 2:</b>	<b>0</b>	<b>0</b>	<b>0</b>				
<b>Category 3:</b>	<b>0</b>	<b>0</b>	<b>0</b>				
<b>TOTAL</b>	<b>2</b>	<b>0</b>	<b>2</b>				
<b>FINDINGS LAST AUDIT: 2</b>							

**INTRODUCTION**

This digest covers the Northern Illinois University’s (University) Financial Audit as of and for the year ended June 30, 2025. A digest covering the University’s Single Audit will be separately released at a later date. In addition, a separate digest covering the University’s Compliance Examination for the year ended June 30, 2025, will be released at a later date.

**SYNOPSIS**

- **(25-01)** The University did not have adequate internal control over reporting its census data.

<b>Category 1:</b>	Findings that are <b>material weaknesses</b> in internal control and/or a <b>qualification</b> on compliance with State laws and regulations (material noncompliance).
<b>Category 2:</b>	Findings that are <b>significant deficiencies</b> in internal control and <b>noncompliance</b> with State laws and regulations.
<b>Category 3:</b>	Findings that have <b>no internal control issues but are in noncompliance</b> with State laws and regulations.

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

<b>STATEMENT OF NET POSITION (in thousands)</b>	<b>2025</b>	<b>2024</b>
<b>Assets</b>		
Cash and cash equivalents.....	\$ 72,043	\$ 71,607
Investments.....	20,677	-
Accounts, lease, interest, and student loans receivable, net.....	40,389	33,522
Capital assets, net.....	379,566	362,470
Other assets.....	24,367	24,295
Total Assets.....	537,042	491,894
<b>Deferred Outflows of Resources.....</b>	<b>13,698</b>	<b>14,877</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities.....	62,674	49,509
Accrued compensated absences.....	22,493	20,912
Revenue bonds, installment purchases, notes and leases payable...	318,534	282,482
Other post-employment benefits.....	27,360	24,766
Other liabilities.....	20,322	17,297
Total Liabilities.....	451,383	394,966
<b>Deferred Inflows of Resources.....</b>	<b>24,161</b>	<b>25,385</b>
<b>Net Position</b>		
Net investment in capital assets.....	75,091	67,185
Restricted.....	40,664	65,836
Unrestricted.....	(40,559)	(46,601)
Total Net Position.....	\$ 75,196	\$ 86,420
<b>STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (in thousands)</b>	<b>2025</b>	<b>2024</b>
<b>Revenues</b>		
State appropriations.....	\$ 100,643	\$ 110,012
On-Behalf and Special Funding for fringe benefits.....	79,737	55,582
Tuition and fees, net.....	73,487	73,809
Auxiliary enterprises.....	73,403	89,911
Federal and State grants and other contracts.....	132,815	117,709
Sales and services of educational activities.....	22,450	26,710
Other.....	18,486	33,933
Total Revenues.....	501,021	507,666
<b>Expenses</b>		
Instruction.....	176,238	168,194
Research.....	26,269	23,377
Public service.....	37,829	34,150
Academic support.....	42,217	36,732
Student services.....	22,872	21,312
Operation and maintenance of plant.....	28,017	29,204
Depreciation.....	27,644	31,036
Institutional support.....	57,301	51,899
Scholarships and fellowships.....	14,546	39,210
Auxilliary enterprises.....	88,830	81,838
Interest.....	9,655	8,636
Total Expenses.....	531,418	525,588
<b>Decrease in net position.....</b>	<b>\$ (30,397)</b>	<b>\$ (17,922)</b>
<b>UNIVERSITY PRESIDENT</b>		
During Audit Period & Current: President - Dr. Lisa Freeman		

**FINDINGS, CONCLUSIONS, AND  
RECOMMENDATIONS**

**INADEQUATE INTERNAL CONTROLS OVER  
CENSUS DATA**

Northern 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 was complete and accurate.

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 cut-off testing of data transmitted by the University to the System, the auditors identified the following 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.
  - Two new employee hires
  - One employee going on a leave of absence
  - Forty-nine employee terminations

**Reconciliation of incremental  
changes not completed**

**Late reporting of events to the  
System**

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. (Finding 1, Pages 6-7)

We recommended 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 recommended 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.

**University accepted the finding**

University officials accepted the finding. University officials stated they will work toward timely notification and have completed reconciliations of incremental changes.

**OTHER FINDING**

The remaining finding pertains to the University's internal controls over user access. We will review the University's progress towards the implementation of our recommendations in our next financial audit.

**AUDITOR'S OPINION**

The auditors stated the financial statements of the University as of and for the year ended June 30, 2025 are fairly stated in all material respects.

This financial audit was conducted by RSM US LLP.

**SIGNED ORIGINAL ON FILE**

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COURTNEY DZIERWA  
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

**SIGNED ORIGINAL ON FILE**

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FRANK J. MAUTINO  
Auditor General

FJM:JGR