

**State of Illinois
State Universities Retirement System
(a Component Unit of the State of Illinois)**

**Compliance Examinations of Census Data –
University Pension and OPEB**

For the Year Ended June 30, 2025
Performed as Special Assistant Auditors for
the Auditor General, State of Illinois

**State Universities Retirement System
of the State of Illinois
Compliance Examination of Census Data**

For the Year Ended June 30, 2025

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**State Universities Retirement System
of the State of Illinois
Compliance Examination of Census Data**

For the Year Ended June 30, 2025

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Chicago State University

**State of Illinois
Chicago State University
Compliance Examination of Census Data**

For the Year Ended June 30, 2025

UNIVERSITY OFFICIALS

President	Ms. Zaldwaynaka Scott, J.D.
Chief of Staff	Ms. Jimell Byrd-Reno
Provost and Executive V.P. for Academic and Student Affairs	Dr. Sonja Feist-Price
General Counsel, Chief Compliance Officer & V.P. of Legal Affairs	Mr. Jason Carter, Esq.
CFO & Senior V.P. of Financial Operations	Ms. Nicole Latimer-Williams
Executive Director/Controller	Ms. Zaneta Dabney
Chief Internal Auditor	Mr. James Timberlake

BOARD OF TRUSTEES

Chair	Ms. Andrea Zopp, Esq.
Vice Chair	Ms. Angelique David
Secretary	Ms. Cheryl Watkins
Member	Ms. Dixie Adams
Member	Mr. Jason Quiara
Member	Mr. John Robak
Member	Ms. Michelle Gooze-Miller
Student Member	Ms. Zariah Franklin

UNIVERSITY OFFICES

The University's primary administrative offices are located at:

9501 S. King Drive
Chicago, Illinois 60628



MANAGEMENT ASSERTION LETTER

December 15, 2025

RSM US LLP
1450 American Lane, Suite 1400
Schaumburg, IL 60173

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, rules, and regulations applicable to identifying and enrolling eligible employees of the Chicago State University (University) and reporting their significant elements of census data and related employee and employer contributions within the State Universities Retirement System (System) and the State Employees' Group Insurance Program (Plan) administered by the State of Illinois, Department of Central Management Services (CMS). We are responsible for and we have established and maintained an effective system of internal controls over the specified requirements. We have performed an evaluation of the University's compliance with the specified requirements during the applicable periods noted below. Based on this evaluation, we assert the University has materially complied with the specified requirements listed below.

- A. All of the University's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the University to the System. The significant elements of census data of the System include each employee's:
 - social security number;
 - first and last name;
 - date of birth;
 - gender;
 - earnings for the year tested; and,
 - earned service credit.
- C. The changes in significant elements of census data for employees required to be enrolled in the Plan, in accordance with the individual employee's election to participate, occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the University to CMS through the System. The significant elements of census data of the Plan include each member's:

- social security number;
- first and last name;
- date of birth;
- gender; and,
- earned service credit.

D. The employee contributions remitted by the University to the System during the proportionate share allocation year ended June 30, 2025, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

E. The employer group insurance contributions for non-exempt employees, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the University for the Plan to CMS during the proportionate share allocation year ended June 30, 2025, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

Yours truly,

Chicago State University

SIGNED ORIGINAL ON FILE

Ms. Zaldwynaka Scott, J.D. President

SIGNED ORIGINAL ON FILE

Ms. Nicole Latimer-Williams, Chief Financial Officer & Senior V.P. of Financial Operations

SIGNED ORIGINAL ON FILE

Mr. Jason L. Carter, Esq., General Counsel, Chief Compliance Officer & V.P. of Legal Affairs

**State of Illinois
Chicago State University
Compliance Examination of Census Data**

For the Year Ended June 30, 2025

Compliance Report

Summary

The compliance testing performed during this examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the *Audit Guide*.

Accountant's Report

The Independent Accountant's Report on Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers or other significant non-standard language.

Summary of Findings

Number of	Current Report	Prior Report
Findings	1	1
Repeated findings	1	1
Prior recommendations implemented or not repeated	N/A	N/A

Schedule of Findings

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Finding				
2025-001	9	2024/2021	Inadequate Internal Controls over Census Data	Material Weakness and Noncompliance

**State of Illinois
Chicago State University
Compliance Examination of Census Data**

For the Year Ended June 30, 2025

Exit Conference

The finding and recommendation appearing in this report was discussed with University personnel at an exit conference on November 13, 2025.

Attending were:

Chicago State University

Jim Timberlake, Chief Internal Auditor
Latasha Larry, Associate Vice President of Human Resources & Chief Culture Officer
Alberta Price, Benefits Manager

Office of the Auditor General and Special Assistant Auditor

Emily Rivalland, Audit Manager – Office of the Auditor General
Bill Sarb, Partner – RSM US LLP
Chad McCoy, Manager – RSM US LLP

The response to the recommendations was provided by Latasha Larry, Associate Vice President of Human Resources & Chief Culture Officer, in a correspondence dated November 18, 2025.

**Independent Accountant's Report
on Compliance and on Internal Control Over Compliance**

RSM US LLP

Honorable Frank J. Mautino
Auditor General
State of Illinois

Honorable Susana M. Mendoza
Comptroller
State of Illinois

Board of Trustees
State of Illinois, Chicago State University

Ms. Zaldwaynaka Scott
President
State of Illinois, Chicago State University

External Auditors
State of Illinois, Chicago State University

Board of Trustees
State Universities Retirement System

Ms. Suzanne Mayer
Executive Director
State Universities Retirement System

Ms. Raven DeVaughn
Director
State of Illinois, Department of Central Management Services

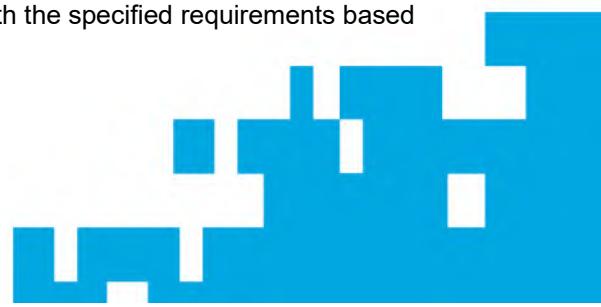
External Auditors
State of Illinois, Department of Central Management Services

Report on Compliance

As Special Assistant Auditors for the Auditor General of the State Universities Retirement System (System), we have examined compliance by management of the Chicago State University (University) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during:

1. the census data accumulation year for the System ended June 30, 2024;
2. the proportionate share allocation year for the System ended June 30, 2025;
3. the census data accumulation year for the State Employees' Group Insurance Program (Plan) administered by the State of Illinois, Department of Central Management Services (CMS) ended June 30, 2024; and,
4. the proportionate share allocation year for the Plan ended June 30, 2025.

Management of the University is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the University's compliance with the specified requirements based on our examination.



The specified requirements are:

- A. All of the University's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the University to the System.

The significant elements of census data of the System include each employee's:

- a. social security number;
- b. first and last name;
- c. date of birth;
- d. gender;
- e. earnings for the year tested; and,
- f. earned service credit.

- C. The changes in significant elements of census data for employees required to be enrolled in the Plan, in accordance with the individual employee's election to participate, occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the University to CMS through the System.

The significant elements of census data of the Plan include each member's:

- a. social security number;
- b. first and last name;
- c. date of birth;
- d. gender; and,
- e. earned service credit.

- D. The employee contributions remitted by the University to the System during the proportionate share allocation year ended June 30, 2025, were complete, accurate, and in accordance with applicable laws, rules, and regulations.
- E. The employer group insurance contributions for non-exempt employees, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the University for the Plan to CMS during the proportionate share allocation year ended June 30, 2025, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Illinois State Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the University complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the University complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the University's compliance with the specified requirements.

In our opinion, the University complied with the specified requirements, in all material respects, during:

1. the census data accumulation year for the System ended June 30, 2024;
2. the proportionate share allocation year for the System ended June 30, 2025;
3. the census data accumulation year for the Plan administered by CMS ended June 30, 2024; and,
4. the proportionate share allocation year for the Plan ended June 30, 2025.

However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as item 2025-001.

The University's response to the census data compliance finding identified in our examination is described in the accompanying Schedule of Findings. The University's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Report on Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the University's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the University's compliance with the specified requirements and to test and report on the University's internal control in accordance with the *Audit Guide*, 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, noncompliance with the specified requirements on a timely basis. A *material weakness in internal control* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control* 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 and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings as item 2025-001, that we consider to be a material weakness.

The University's response to the internal control finding identified in our examination is described in the accompanying Schedule of Findings. The University's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Schaumburg, Illinois
December 15, 2025

**State of Illinois
Chicago State University
Compliance Examination of Census Data
Schedule of Findings**

For the Year Ended June 30, 2025

Finding No. 2025-001 Inadequate Internal Controls over Census Data

The Chicago State 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 2024 to project pension and OPEB-related balances and activity at the plans during fiscal year 2025, which is incorporated into the University's fiscal year 2026 financial statements.

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

- During completeness testing of University faculty data, the auditors identified twenty-four instructors were not reported as eligible to participate in the System and Plan by the University.
- During testing of System records to University records, the auditors identified inaccurate demographic data being reported for two of sixty (3%) members selected for testing, one gender and one date of birth. The auditors also noted that the University was not able to provide supporting documentation for the significant elements of census data for one of sixty (2%) members selected for testing.
- During testing of University records to System records, the University was not able to provide supporting documentation for the significant elements of census data for one of sixty (2%) employees selected for testing.
- During cut-off testing of data transmitted by the University to the System, the auditors identified fifty-nine 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.

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.

**State of Illinois
Chicago State University
Compliance Examination of Census Data
Schedule of Findings**

For the Year Ended June 30, 2025

Finding No. 2025-001 Inadequate Internal Controls over Census Data (Continued)

The State Records Act (5 ILCS 160/8) requires the University to make and preserve records containing adequate and proper documentation of its essential transactions to protect the legal and financial rights of the State and of persons directly affected by the University's activities.

Further, 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.

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.

**State of Illinois
Chicago State University
Compliance Examination of Census Data
Schedule of Findings**

For the Year Ended June 30, 2025

Finding No. 2025-001 Inadequate Internal Controls over Census Data (Continued)

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 management indicated the exceptions were due to significant turnover in the Human Resources department during fiscal year 2024 resulting in poor record management and inadequate internal processes and controls over census data.

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. Finally, failure to maintain adequate supporting documentation inhibits the auditor's ability to verify the accuracy of the data being provided to the actuaries. (Finding Code No. 2025-001, 2024-001, 2023-001, 2022-001, 2021-001)

Recommendation:

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.

Further, we recommend the University maintain accurate and relevant supporting documentation for all employees, especially documentation containing the significant elements of census data.

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.

University Response:

The University agrees with the recommendations. The University has strengthened controls to ensure all eligible employees are reported to the System and State by creating processes to monitor contributions by payroll. The University will strengthen controls to maintain accurate and relevant supporting documentation for all employees. The University will strengthen controls to ensure all events occurring within the census data accumulation year are reported timely to the System.

Eastern Illinois University

**State of Illinois
Eastern Illinois University
Compliance Examination of Census Data**

For the Year Ended June 30, 2025

UNIVERSITY OFFICIALS

President	Dr. Jay D. Gatrell
Interim Provost and Vice President for Academic Affairs (6/1/2025 – Present)	Dr. Holly R. Farley
Provost and Vice President for Academic Affairs (2/14/2024 – 5/31/2025)	Dr. Ryan C. Hendrickson
Interim Provost and Vice President for Academic Affairs (7/1/2023 – 2/13/2024)	Dr. Ryan C. Hendrickson
Vice President for Business Affairs	Mr. Matthew J. Bierman
Vice President for Student Affairs	Ms. Anne Flaherty
Vice President for University Advancement (2/5/2024 – Present)	Ms. Miranda L. Spencer
Vice President for University Advancement (7/1/2023 – 2/4/2024)	Vacant
Vice President of Enrollment Management	Mr. Josh L. Norman
Director of Business Services and Treasurer	Mr. Michael Hutchinson, CPA
General Counsel	Mr. Austin Hill
Director of Internal Auditing (1/1/2024 – Present)	Ms. Natalee Black, CPA
Director of Internal Auditing (7/1/2023 – 12/31/2023)	Vacant

BOARD OF TRUSTEES (as of 6/30/2025)

Chairperson	Mr. C. Christopher Hicks
Vice Chairperson	Ms. Julie Everett
Secretary	Dr. Audrey Edwards
Member Pro-Tem	Ms. Barbara Bauer
Member	Ms. Joyce Madigan
Member	Dr. Timi Ngoboh
Member	Dr. Bernie C. Ranchero
Student Member	Mr. August Biernbaum

UNIVERSITY OFFICES

The University's primary administrative offices are located at:

600 Lincoln Avenue
Charleston, Illinois 61920



Office of the President

600 Lincoln Avenue
Charleston, Illinois 61920-3099

Office: (217) 581-2011
Fax: (217) 581-2490

MANAGEMENT ASSERTION LETTER

December 15, 2025

RSM US LLP
1450 American Lane, Suite 1400
Schaumburg, IL 60173

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, rules, and regulations applicable to identifying and enrolling eligible employees of Eastern Illinois University (University) and reporting their significant elements of census data and related employee and employer contributions within the State Universities Retirement System (System) and the State Employees' Group Insurance Program (Plan) administered by the State of Illinois, Department of Central Management Services (CMS). We are responsible for and we have established and maintained an effective system of internal controls over the specified requirements. We have performed an evaluation of the University's compliance with the specified requirements during the applicable periods noted below. Based on this evaluation, we assert the University has materially complied with the specified requirements listed below.

- A. All of the University's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the University to the System. The significant elements of census data of the System include each employee's:
 - social security number;
 - first and last name;
 - date of birth;
 - gender;
 - earnings for the year tested; and,
 - earned service credit.
- C. The changes in significant elements of census data for employees required to be enrolled in the Plan, in accordance with the individual employee's election to participate, occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the University to CMS through the System. The significant elements of census data of the Plan include each member's:
 - social security number;
 - first and last name;
 - date of birth;
 - gender; and,
 - earned service credit.

- D. The employee contributions remitted by the University to the System during the proportionate share allocation year ended June 30, 2025, were complete, accurate, and in accordance with applicable laws, rules, and regulations.
- E. The employer group insurance contributions for non-exempt employees, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the University for the Plan to CMS during the proportionate share allocation year ended June 30, 2025, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

Yours truly,

Eastern Illinois University

SIGNED ORIGINAL ON FILE

Dr. Jay D. Gatrell, President

SIGNED ORIGINAL ON FILE

Matthew J. Bierman, Vice President for Business Affairs

SIGNED ORIGINAL ON FILE

Austin Hill, General Counsel

**State of Illinois
Eastern Illinois University
Compliance Examination of Census Data**

For the Year Ended June 30, 2025

Compliance Report

Summary

The compliance testing performed during this examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the *Audit Guide*.

Accountant's Report

The Independent Accountant's Report on Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers or other significant non-standard language.

Summary of Findings

Number of	Current Report	Prior Report
Findings	1	1
Repeated findings	1	1
Prior recommendations implemented or not repeated	N/A	N/A

Schedule of Findings

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Finding				
2025-001	19	2024/2021	Inadequate Internal Controls over Census Data	Significant Deficiency and Noncompliance

Exit Conference

The University waived an exit conference in correspondence from Michael Hutchinson, Director of Business Services and Treasurer, on November 10, 2025. The response to the recommendation was provided by Michael Hutchinson, Director of Business Services and Treasurer, on November 17, 2025.

**Independent Accountant's Report
on Compliance and on Internal Control Over Compliance**

RSM US LLP

Honorable Frank J. Mautino
Auditor General
State of Illinois

Honorable Susana M. Mendoza
Comptroller
State of Illinois

Board of Trustees
State of Illinois, Eastern Illinois University

Dr. Jay D. Gatrell
President
State of Illinois, Eastern Illinois University

External Auditors
State of Illinois, Eastern Illinois University

Board of Trustees
State Universities Retirement System

Ms. Suzanne Mayer
Executive Director
State Universities Retirement System

Ms. Raven DeVaughn
Director
State of Illinois, Department of Central Management Services

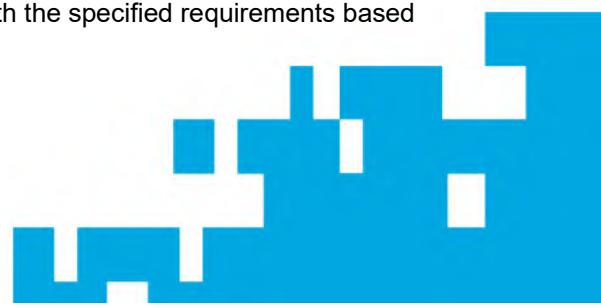
External Auditors
State of Illinois, Department of Central Management Services

Report on Compliance

As Special Assistant Auditors for the Auditor General of the State Universities Retirement System (System), we have examined compliance by management of the Eastern Illinois University (University) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during:

1. the census data accumulation year for the System ended June 30, 2024;
2. the proportionate share allocation year for the System ended June 30, 2025;
3. the census data accumulation year for the State Employees' Group Insurance Program (Plan) administered by the State of Illinois, Department of Central Management Services (CMS) ended June 30, 2024; and,
4. the proportionate share allocation year for the Plan ended June 30, 2025.

Management of the University is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the University's compliance with the specified requirements based on our examination.



The specified requirements are:

- A. All of the University's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the University to the System.

The significant elements of census data of the System include each employee's:

- a. social security number;
- b. first and last name;
- c. date of birth;
- d. gender;
- e. earnings for the year tested; and,
- f. earned service credit.

- C. The changes in significant elements of census data for employees required to be enrolled in the Plan, in accordance with the individual employee's election to participate, occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the University to CMS through the System.

The significant elements of census data of the Plan include each member's:

- a. social security number;
- b. first and last name;
- c. date of birth;
- d. gender; and,
- e. earned service credit.

- D. The employee contributions remitted by the University to the System during the proportionate share allocation year ended June 30, 2025, were complete, accurate, and in accordance with applicable laws, rules, and regulations.
- E. The employer group insurance contributions for non-exempt employees, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the University for the Plan to CMS during the proportionate share allocation year ended June 30, 2025, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Illinois State Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the University complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the University complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the University's compliance with the specified requirements.

In our opinion, the University complied with the specified requirements, in all material respects, during:

1. the census data accumulation year for the System ended June 30, 2024;
2. the proportionate share allocation year for the System ended June 30, 2025;
3. the census data accumulation year for the Plan administered by CMS ended June 30, 2024; and,
4. the proportionate share allocation year for the Plan ended June 30, 2025.

However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as item 2025-001.

The University's response to the census data compliance finding identified in our examination is described in the accompanying Schedule of Findings. The University's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Report on Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the University's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the University's compliance with the specified requirements and to test and report on the University's internal control in accordance with the *Audit Guide*, 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, noncompliance with the specified requirements on a timely basis. A *material weakness in internal control* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control* 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 and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings as item 2025-001, that we consider to be a significant deficiency.

The University's response to the internal control finding identified in our examination is described in the accompanying Schedule of Findings. The University's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Schaumburg, Illinois
December 15, 2025

State of Illinois
Eastern Illinois University
Compliance Examination of Census Data
Schedule of Findings

For the Year Ended June 30, 2025

Finding No. 2025-001 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 2024 to project pension and OPEB-related balances and activity at the plans during fiscal year 2025, which is incorporated into the University's fiscal year 2026 financial statements.

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

- During completeness testing of University faculty data, the auditors identified three instructors were not reported as eligible to participate in the System and Plan by the University.
- During cut-off testing of data transmitted by the University to the System, the auditors identified sixteen 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.

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.

**State of Illinois
Eastern Illinois University
Compliance Examination of Census Data
Schedule of Findings**

For the Year Ended June 30, 2025

Finding No. 2025-001 Inadequate Internal Controls over Census Data (Continued)

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.

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.

**State of Illinois
Eastern Illinois University
Compliance Examination of Census Data
Schedule of Findings**

For the Year Ended June 30, 2025

Finding No. 2025-001 Inadequate Internal Controls over Census Data (Continued)

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)

Recommendation:

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.

Further, 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.

University Response:

The University agrees with the auditors' recommendations.

The University has worked to ensure that all eligible employees are enrolled with SURS. The three employees involved were not enrolled due to a misinterpretation of enrollment eligibility under the Illinois Pension Code related specifically to short-term, irregular employment contracts. The University is working with SURS to enroll them and clarify the enrollment process with its Benefits staff.

The University continues to work with SURS staff to report changes in employment events in a timely manner but also when the information is available.

Governors State University

**State of Illinois
Governors State University
Compliance Examination of Census Data**

For the Year Ended June 30, 2025

UNIVERSITY OFFICIALS

President (7/1/25 to Present)	Dr. Joyce C. Ester
Interim President (3/1/25 to 6/30/25)	Dr. Corey S. Bradford, Sr.
President (through 2/28/25)	Dr. Cheryl F. Green
Interim Chief Financial Officer (10/7/25 to Present)	Ms. Villalyn Baluga, CPA
Vice President for Administration and Finance (through 10/6/25)	Dr. Corey S. Bradford, Sr.
General Counsel and Vice President	Ms. Therese King Nohos
Chief Internal Auditor	Mr. Kristoffer Evangelista, CPA
Associate Vice President for Finance	Ms. Villalyn Baluga, CPA
Vice President for Human Resources	Mr. Joshua R. Allen, MPS, SHRM-SCP
Associate Vice President for Human Resources (7/16/23 to Present)	Dr. Sandra Marak, PHR, SHRM-CP

OFFICERS OF THE UNIVERSITY BOARD OF TRUSTEES

Chairman (8/20/24 to Present)	Mr. James Kvedaras
Chairman (through 8/19/24)	Ms. Angela Sebastian
Vice Chairman (8/20/24 to Present)	Ms. Stacy Crook
Vice Chairman (through 8/19/24)	Mr. Kevin Brookins
Secretary (8/20/24 to Present)	Ms. Karen Nunn
Secretary (through 8/19/24)	Mr. James Kvedaras

UNIVERSITY BOARD OF TRUSTEES

Trustee (11/27/23 to Present)	Ms. Karen Nunn
Trustee (through 11/26/23)	Vacant
Trustee (10/20/23 to Present)	Ms. Stacy Crook
Trustee (through 10/19/23)	Vacant
Trustee (3/21/25 to Present)	Ms. Angelica Zuniga
Trustee (1/21/25 to 3/20/25)	Vacant
Trustee (through 1/20/25)	Mr. Kevin Brookins
Trustee (3/10/25 to Present)	Dr. Judith L. Mitchell
Trustee (4/20/24 to 3/9/25)	Vacant
Trustee (through 4/19/24)	Mr. John Brudnak
Trustee (3/10/25 to Present)	Ms. Frances Pao-Han Kao
Trustee (1/21/25 to 3/9/25)	Vacant
Trustee (through 1/20/25)	Ms. Angela Sebastian
Trustee	Mr. James Kvedaras
Trustee	Mr. Anibal Taboas
Trustee (7/1/25 to Present)	Mr. Brett Porter, Student
Trustee (7/1/24 to 6/30/25)	Mr. Harish Rayalapati, Student
Trustee (through 6/30/24)	Ms. Lluvia Hernandez-Aguirre, Student

UNIVERSITY OFFICE

The University's primary administrative office is located at:

1 University Parkway
University Park, Illinois 60484

MANAGEMENT ASSERTION LETTER

December 15, 2025

RSM US LLP
1450 American Lane, Suite 1400
Schaumburg, IL 60173

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, rules, and regulations applicable to identifying and enrolling eligible employees of the Governors State University (University) and reporting their significant elements of census data and related employee and employer contributions within the State Universities Retirement System (System) and the State Employees' Group Insurance Program (Plan) administered by the State of Illinois, Department of Central Management Services (CMS). We are responsible for and we have established and maintained an effective system of internal controls over the specified requirements. We have performed an evaluation of the University's compliance with the specified requirements during the applicable periods noted below. Based on this evaluation, we assert the University has materially complied with the specified requirements listed below.

- A. All of the University's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the University to the System. The significant elements of census data of the System include each employee's:
 - social security number;
 - first and last name;
 - date of birth;
 - gender;
 - earnings for the year tested; and,
 - earned service credit.
- C. The changes in significant elements of census data for employees required to be enrolled in the Plan, in accordance with the individual employee's election to participate, occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the University to CMS through the System. The significant elements of census data of the Plan include each member's:
 - social security number;
 - first and last name;
 - date of birth;
 - gender; and,
 - earned service credit.

- D. The employee contributions remitted by the University to the System during the proportionate share allocation year ended June 30, 2025, were complete, accurate, and in accordance with applicable laws, rules, and regulations.
- E. The employer group insurance contributions for non-exempt employees, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the University for the Plan to CMS during the proportionate share allocation year ended June 30, 2025, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

Yours truly,

Governors State University

SIGNED ORIGINAL ON FILE

Dr. Joyce C. Ester, President

SIGNED ORIGINAL ON FILE

Villalyn Baluga, Associate Vice President for Finance
and Interim Chief Financial Officer

SIGNED ORIGINAL ON FILE

Therese King Nohos, General Counsel and Vice President

**State of Illinois
Governors State University
Compliance Examination of Census Data**

For the Year Ended June 30, 2025

Compliance Report

Summary

The compliance testing performed during this examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the *Audit Guide*.

Accountant's Report

The Independent Accountant's Report on Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers or other significant non-standard language.

Summary of Findings

Number of	Current Report	Prior Report
Findings	1	1
Repeated findings	1	1
Prior recommendations implemented or not repeated	N/A	N/A

Schedule of Findings

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Finding				
2025-001	29	2024/2021	Inadequate Internal Controls over Census Data	Significant Deficiency and Noncompliance

Exit Conference

The University waived an exit conference in a correspondence from Villalyn Baluga, Associate Vice President for Finance and Interim Chief Financial Officer, on November 10, 2025. The response to the recommendations was provided by Villalyn Baluga, Associate Vice President for Finance and Interim Chief Financial Officer, in a correspondence dated November 18, 2025.

**Independent Accountant's Report
on Compliance and on Internal Control Over Compliance**

RSM US LLP

Honorable Frank J. Mautino
Auditor General
State of Illinois

Honorable Susana M. Mendoza
Comptroller
State of Illinois

Board of Trustees
State of Illinois, Governors State University

Dr. Joyce C. Ester
President
State of Illinois, Governors State University

External Auditors
State of Illinois, Governors State University

Board of Trustees
State Universities Retirement System

Ms. Suzanne Mayer
Executive Director
State Universities Retirement System

Ms. Raven DeVaughn
Director
State of Illinois, Department of Central Management Services

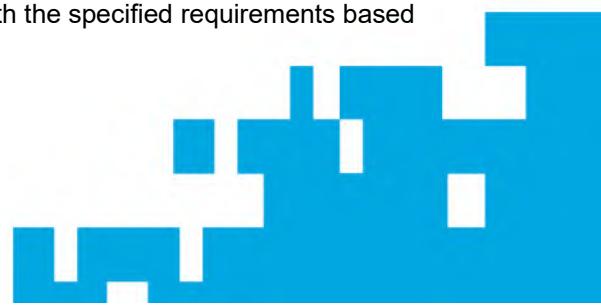
External Auditors
State of Illinois, Department of Central Management Services

Report on Compliance

As Special Assistant Auditors for the Auditor General of the State Universities Retirement System (System), we have examined compliance by management of the Governors State University (University) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during:

1. the census data accumulation year for the System ended June 30, 2024;
2. the proportionate share allocation year for the System ended June 30, 2025;
3. the census data accumulation year for the State Employees' Group Insurance Program (Plan) administered by the State of Illinois, Department of Central Management Services (CMS) ended June 30, 2024; and,
4. the proportionate share allocation year for the Plan ended June 30, 2025.

Management of the University is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the University's compliance with the specified requirements based on our examination.



The specified requirements are:

- A. All of the University's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the University to the System.

The significant elements of census data of the System include each employee's:

- a. social security number;
- b. first and last name;
- c. date of birth;
- d. gender;
- e. earnings for the year tested; and,
- f. earned service credit.

- C. The changes in significant elements of census data for employees required to be enrolled in the Plan, in accordance with the individual employee's election to participate, occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the University to CMS through the System.

The significant elements of census data of the Plan include each member's:

- a. social security number;
- b. first and last name;
- c. date of birth;
- d. gender; and,
- e. earned service credit.

- D. The employee contributions remitted by the University to the System during the proportionate share allocation year ended June 30, 2025, were complete, accurate, and in accordance with applicable laws, rules, and regulations.
- E. The employer group insurance contributions for non-exempt employees, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the University for the Plan to CMS during the proportionate share allocation year ended June 30, 2025, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Illinois State Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the University complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the University complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the University's compliance with the specified requirements.

In our opinion, the University complied with the specified requirements, in all material respects, during:

1. the census data accumulation year for the System ended June 30, 2024;
2. the proportionate share allocation year for the System ended June 30, 2025;
3. the census data accumulation year for the Plan administered by CMS ended June 30, 2024; and,
4. the proportionate share allocation year for the Plan ended June 30, 2025.

However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as item 2025-001.

The University's response to the census data compliance finding identified in our examination is described in the accompanying Schedule of Findings. The University's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Report on Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the University's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the University's compliance with the specified requirements and to test and report on the University's internal control in accordance with the *Audit Guide*, 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, noncompliance with the specified requirements on a timely basis. A *material weakness in internal control* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control* 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 and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings as item 2025-001, that we consider to be a significant deficiency.

The University's response to the internal control finding identified in our examination is described in the accompanying Schedule of Findings. The University's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Schaumburg, Illinois
December 15, 2025

**State of Illinois
Governors State University
Compliance Examination of Census Data
Schedule of Findings**

For the Year Ended June 30, 2025

Finding No. 2025-001 Inadequate Internal Controls over Census Data

The Governors State 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 2024 to project pension and OPEB-related balances and activity at the plans during fiscal year 2025, which is incorporated into the University's fiscal year 2026 financial statements.

During the performance of the census examination, while performing cut-off testing of data transmitted by the University to the System, the auditors identified forty-one 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.

The result of the errors above led to 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.

University management indicated the late reported events were due to the current process of hiring and compensating adjuncts.

**State of Illinois
Governors State University
Compliance Examination of Census Data
Schedule of Findings**

For the Year Ended June 30, 2025

Finding No. 2025-001 Inadequate Internal Controls over Census Data (Continued)

Failure to ensure that complete and accurate census data is 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. (Finding Code No. 2025-001, 2024-001, 2023-001, 2022-001, 2021-001)

Recommendation:

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.

University Response:

The University agrees with this finding and accepts the recommendation. The University will continue to establish procedures that will address the timely reporting of census data events to SURS. The new procedures are expected to be in place by the end of Fiscal Year 2026.

Illinois State University

**State of Illinois
Illinois State University
Compliance Examination of Census Data**

For the Year Ended June 30, 2025

UNIVERSITY OFFICIALS

President (03/18/2024 – Present)	Dr. Andover Tarhule
Interim President (07/01/2023 – 03/17/2024)	Dr. Andover Tarhule
Vice President for Finance and Planning (01/06/2025 – Present)	Dr. Glen Nelson
Vice President for Finance and Planning (01/01/2025 – 01/05/2025)	Vacant
Interim Vice President for Finance and Planning (01/01/2024 – 12/31/2024)	Dr. Daniel Petree
Vice President for Finance and Planning (07/01/2023 – 12/31/2023)	Mr. Dan Stephens
Vice President for Academic Affairs and Provost (05/01/2024 – Present)	Dr. Ani Yazedjian
Acting Vice President for Academic Affairs and Provost (07/01/2023 – 04/30/2024)	Dr. Ani Yazedjian
Vice President for Student Affairs	Dr. Levester Johnson
Vice President for University Advancement	Mr. Pat Vickerman
Comptroller (12/02/2024 – Present)	Mr. Carlos Garcia
Comptroller (07/01/2023 – 12/31/2024)	Mr. Doug Schnittker
Legal Counsel	Ms. Jeannie Barrett
Director – Internal Audit	Mr. Robert Blemler
Associate Vice President – Human Resources	Ms. Janice Bonneville

BOARD OF TRUSTEES

Chair of the Board	Dr. Kathryn Bohn
Secretary of the Board	Dr. Robert Navarro

MEMBERS OF THE BOARD OF TRUSTEES

Member	Dr. Kathryn Bohn
Member	Dr. Robert Navarro
Member	Dr. Lia Merminga
Member	Mr. Darren Tillis
Member (05/02/2025 – present)	Ms. Julie Hoeniges
Member (02/22/2025 – 05/01/2025)	Vacant
Member (07/01/2023 – 02/21/2025)	Ms. Julie Annette Jones
Member (08/01/2025 – Present)	Mr. Kris Lutt
Member (07/26/2025 – 07/31/2025)	Vacant
Member (07/01/2023 – 07/25/2025)	Mr. Scott Jenkins
Member (06/06/2025 – Present)	Mr. Doug Peterson
Member (07/01/2023 – 06/05/2025)	Vacant
Student Member (07/01/2024 – Present)	Mr. Ryan Russell
Student Member (05/11/2024 – 06/30/2024)	Vacant
Student Member (07/01/2023 – 05/10/2024)	Mr. Aselimhe Ebikhumi

UNIVERSITY OFFICE

The University's primary administrative office is located at:

Hovey Hall Campus
Box 1100
Normal, Illinois 61790-1100



MANAGEMENT ASSERTION LETTER

December 15, 2025

RSM US LLP
1450 American Lane, Suite 1400
Schaumburg, IL 60173

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, rules, and regulations applicable to identifying and enrolling eligible employees of the Illinois State University (University) and reporting their significant elements of census data and related employee and employer contributions within the State University Retirement System (System) and the State Employees' Group Insurance Program (Plan) administered by the State of Illinois, Department of Central Management Services (CMS). We are responsible for and we have established and maintained an effective system of internal controls over the specified requirements. We have performed an evaluation of the University's compliance with the specified requirements during the applicable periods noted below. Based on this evaluation, we assert the University has materially complied with the specified requirements listed below.

- A. All of the University's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the University to the System. The significant elements of census data of the System include each employee's:
 - social security number;
 - first and last name;
 - date of birth;
 - gender;
 - earnings for the year tested; and,
 - earned service credit.
- C. The changes in significant elements of census data for employees required to be enrolled in the Plan, in accordance with the individual employee's election to participate, occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the University to CMS through the System. The significant elements of census data of the Plan include each member's:
 - social security number;
 - first and last name;
 - date of birth;
 - gender; and,
 - earned service credit.

- D. The employee contributions remitted by the University to the System during the proportionate share allocation year ended June 30, 2025, were complete, accurate, and in accordance with applicable laws, rules, and regulations.
- E. The employer group insurance contributions for non-exempt employees, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the University for the Plan to CMS during the proportionate share allocation year ended June 30, 2025, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

Yours truly,

Illinois State University

SIGNED ORIGINAL ON FILE

~~Dr. Andover Tarhule~~, President

SIGNED ORIGINAL ON FILE

~~Dr. Glen Nelson~~, Vice-President for Finance and Planning

SIGNED ORIGINAL ON FILE

~~Jeannie Barrett~~, Legal Counsel

**State of Illinois
Illinois State University
Compliance Examination of Census Data**

For the Year Ended June 30, 2025

Compliance Report

Summary

The compliance testing performed during this examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the *Audit Guide*.

Accountant's Report

The Independent Accountant's Report on Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers or other significant non-standard language.

Summary of Findings

Number of	Current Report	Prior Report
Findings	1	1
Repeated findings	1	None
Prior recommendations implemented or not repeated	N/A	N/A

Schedule of Findings

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Finding				
2025-001	39	2024/2024	Inadequate Internal Controls over Census Data	Significant Deficiency and Noncompliance

**State of Illinois
Illinois State University
Compliance Examination of Census Data**

For the Year Ended June 30, 2025

Exit Conference

The finding and recommendation appearing in this report was discussed with University personnel at an exit conference on November 13, 2025.

Attending were:

Illinois State University

Dr. Glen Nelson, Vice President for Finance and Planning
Carlos Garcia, Associate Vice President, Financial Administration and Comptroller
Jeffrey Jacob, Assistant Comptroller
Janice Bonneville, Associate Vice President, Human Resources
Robert Blemler, Director, Internal Audit

Office of the Auditor General and Special Assistant Auditor

Emily Rivalland, Audit Manager – Office of the Auditor General
Bill Sarb, Partner – RSM US LLP
Chad McCoy, Manager – RSM US LLP

The response to the recommendations was provided by Jeffrey Jacob, Assistant Comptroller, in a correspondence dated November 14, 2025.

**Independent Accountant's Report
on Compliance and on Internal Control Over Compliance**

RSM US LLP

Honorable Frank J. Mautino
Auditor General
State of Illinois

Honorable Susana M. Mendoza
Comptroller
State of Illinois

Board of Trustees
State of Illinois, Illinois State University

Dr. Andover Tarhule
President
State of Illinois, Illinois State University

External Auditors
State of Illinois, Illinois State University

Board of Trustees
State Universities Retirement System

Ms. Suzanne Mayer
Executive Director
State Universities Retirement System

Ms. Raven DeVaughn
Director
State of Illinois, Department of Central Management Services

External Auditors
State of Illinois, Department of Central Management Services

Report on Compliance

As Special Assistant Auditors for the Auditor General of the State Universities Retirement System (System), we have examined compliance by management of the Illinois State University (University) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during:

1. the census data accumulation year for the System ended June 30, 2024;
2. the proportionate share allocation year for the System ended June 30, 2025;
3. the census data accumulation year for the State Employees' Group Insurance Program (Plan) administered by the State of Illinois, Department of Central Management Services (CMS) ended June 30, 2024; and,
4. the proportionate share allocation year for the Plan ended June 30, 2025.

Management of the University is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the University's compliance with the specified requirements based on our examination.



The specified requirements are:

- A. All of the University's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the University to the System.

The significant elements of census data of the System include each employee's:

- a. social security number;
- b. first and last name;
- c. date of birth;
- d. gender;
- e. earnings for the year tested; and,
- f. earned service credit.

- C. The changes in significant elements of census data for employees required to be enrolled in the Plan, in accordance with the individual employee's election to participate, occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the University to CMS through the System.

The significant elements of census data of the Plan include each member's:

- a. social security number;
- b. first and last name;
- c. date of birth;
- d. gender; and,
- e. earned service credit.

- D. The employee contributions remitted by the University to the System during the proportionate share allocation year ended June 30, 2025, were complete, accurate, and in accordance with applicable laws, rules, and regulations.
- E. The employer group insurance contributions for non-exempt employees, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the University for the Plan to CMS during the proportionate share allocation year ended June 30, 2025, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Illinois State Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the University complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the University complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the University's compliance with the specified requirements.

In our opinion, the University complied with the specified requirements, in all material respects, during:

1. the census data accumulation year for the System ended June 30, 2024;
2. the proportionate share allocation year for the System ended June 30, 2025;
3. the census data accumulation year for the Plan administered by CMS ended June 30, 2024; and,
4. the proportionate share allocation year for the Plan ended June 30, 2025.

However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as item 2025-001.

The University's response to the census data compliance finding identified in our examination is described in the accompanying Schedule of Findings. The University's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Report on Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the University's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the University's compliance with the specified requirements and to test and report on the University's internal control in accordance with the *Audit Guide*, 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, noncompliance with the specified requirements on a timely basis. A *material weakness in internal control* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control* 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 and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings as item 2025-001, that we consider to be a significant deficiency.

The University's response to the internal control finding identified in our examination is described in the accompanying Schedule of Findings. The University's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Schaumburg, Illinois
December 15, 2025

State of Illinois
Illinois State University
Compliance Examination of Census Data
Schedule of Findings

For the Year Ended June 30, 2025

Finding No. 2025-001 Inadequate Internal Controls over Census Data

The Illinois State 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 2024 to project pension and OPEB-related balances and activity at the plans during fiscal year 2025, which is incorporated into the University's fiscal year 2026 financial statements.

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

- 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 improper exclusion or inaccurate member status (active or inactive) as of fiscal year-end.
 - o One new employee hire
 - o Fifty-two employee terminations

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.

**State of Illinois
Illinois State University
Compliance Examination of Census Data
Schedule of Findings**

For the Year Ended June 30, 2025

Finding No. 2025-001 Inadequate Internal Controls over Census Data (Continued)

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.

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 acknowledged that many of the exceptions resulted from the timing of event processing associated with the rehire and termination procedures for non-tenure track faculty. The University strives to report events as promptly as administratively possible.

**State of Illinois
Illinois State University
Compliance Examination of Census Data
Schedule of Findings**

For the Year Ended June 30, 2025

Finding No. 2025-001 Inadequate Internal Controls over Census Data (Continued)

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)

Recommendation:

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.

Further, 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.

University Response:

University officials acknowledge that many of the exceptions resulted from the timing of event processing associated with the rehire and termination procedures for non-tenure track faculty. The University strives to report events as promptly as administratively possible. To improve timeliness, Human Resources has redistributed SURS event reporting responsibilities to enhance efficiency in processing required events. Training on these responsibilities has begun and will continue over the next year. The University anticipates that these actions will result in fewer exceptions in the FY25 review.

Northeastern Illinois University

**State of Illinois
Northeastern Illinois University
Compliance Examination of Census Data**

For the Year Ended June 30, 2025

UNIVERSITY OFFICIALS

President (6/1/18 to 6/30/23)	Dr. Gloria Gibson
Interim President (7/1/23 to 7/31/24)	Dr. Katrina Bell-Jordan
President (8/1/24 to Present)	Dr. Katrina Bell-Jordan
Vice President for Finance and Administration/Treasurer (12/25/21 to 3/31/24)	Mr. Manish Kumar
Interim Vice President for Finance and Administration/Treasurer (4/1/24 to 3/16/25)	Ms. Beni Ortiz
Vice President for Finance and Administration/Treasurer (3/17/25 to Present)	Ms. Beni Ortiz
University General Counsel (9/20/21 to 10/3/23)	Mr. G.A. Finch
Interim University General Counsel (10/4/23 to Present)	Ms. Nicki Bazer
Director of Internal Audit (9/11/17 to 1/6/23)	Ms. Rita Moore
Director of Internal Audit (1/7/23 to 9/17/23)	Vacant
Director of Internal Audit (9/18/23 to Present)	Ms. Chrystal Temples

BOARD OFFICERS

Chair (Member expiration 1/16/23)	Mr. Jim Palos
Chair (Member since 1/17/23, 3/6/23 to 1/29/24)	Mr. Jose Rico
Chair (elected 2/15/24)	Mr. J. Todd Phillips
Vice Chair (Member expiration 1/16/23)	Ms. Sherry Eagle
Vice Chair (Member since 1/17/23, elected 3/6/23)	Mr. Marvin Garcia
Vice Chair (elected 5/28/24)	Ms. Michelle Morales
Secretary (Member expiration 1/16/23)	Mr. Jonathan Stein
Secretary (Member since 1/31/23, elected 3/6/23)	Mr. J. Todd Phillips
Secretary (elected 2/15/24)	Ms. Anna Meresidis

BOARD MEMBERS

Member (10/4/06 to 1/16/23)	Mr. Jim Palos
Member (1/17/23 to 1/29/24)	Mr. Jose Rico
Member (10/4/06 to 1/16/23)	Mr. Carlos Azcoitia
Member (1/17/23 to 1/30/23)	Vacant
Member (Appointed 1/31/23)	Dr. Paula Wolff
Member (2/27/17 to 1/16/23)	Ms. Sherry Eagle
Member (1/17/23 to 3/15/23)	Vacant
Member (Appointed 3/16/23)	Ms. Betty Fleurimond
Member (3/28/11 to 1/30/23)	Mr. Jonathon Stein

**State of Illinois
Northeastern Illinois University
Compliance Examination of Census Data**

For the Year Ended June 30, 2025

BOARD MEMBERS (Continued)

Member (Appointed 1/31/23)	Mr. J. Todd Phillips
Member (5/16/19 to 1/31/23)	Mr. Charles Serrano
Member (2/1/23 to 8/6/23)	Vacant
Member (Appointed 8/7/23)	Mr. Anna Meresidis
Member (5/6/19 to 9/20/24)	Mr. Marvin Garcia
Member (10/18/24 to present)	Mr. Carlos Garcia
Member (5/6/19 to present)	Ms. Ann Kalayil
Member (7/1/22 to 3/15/23)	Vacant
Member (Appointed 3/16/23)	Ms. Michelle Morales
Member (7/1/22 to 5/21/23)	Vacant
Member (Appointed 5/22/23)	Mr. Jorge Leon
Member (1/30/24 to present)	Vacant
Student Member (7/1/22 to 6/30/23)	Ms. Shyrice Howell
Student Member (7/1/23 to 6/30/24)	Mr. Edwin Medina
Student Member (7/1/24 to 6/30/25)	Ms. Itzel Linares
Student Member (7/25 to present)	Ms. Daniela Navarrete

UNIVERSITY OFFICE

The University's primary administrative office is located at:

5500 N. St. Louis Avenue
Chicago, Illinois 60625

MANAGEMENT ASSERTION LETTER

December 15, 2025

RSM US LLP
1450 American Lane, Suite 1400
Schaumburg, IL 60173

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, rules, and regulations applicable to identifying and enrolling eligible employees of the Northeastern Illinois University (University) and reporting their significant elements of census data and related employee and employer contributions within the State Universities Retirement System (System) and the State Employees' Group Insurance Program (Plan) administered by the State of Illinois, Department of Central Management Services (CMS). We are responsible for and we have established and maintained an effective system of internal controls over the specified requirements. We have performed an evaluation of the University's compliance with the specified requirements during the applicable periods noted below. Based on this evaluation, we assert the University has materially complied with the specified requirements listed below.

- A. All of the University's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the University to the System. The significant elements of census data of the System include each employee's:
 - social security number;
 - first and last name;
 - date of birth;
 - gender;
 - earnings for the year tested; and,
 - earned service credit.
- C. The changes in significant elements of census data for employees required to be enrolled in the Plan, in accordance with the individual employee's election to participate, occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the University to CMS through the System. The significant elements of census data of the Plan include each member's:
 - social security number;
 - first and last name;
 - date of birth;
 - gender; and,
 - earned service credit.

- D. The employee contributions remitted by the University to the System during the proportionate share allocation year ended June 30, 2025, were complete, accurate, and in accordance with applicable laws, rules, and regulations.
- E. The employer group insurance contributions for non-exempt employees, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the University for the Plan to CMS during the proportionate share allocation year ended June 30, 2025, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

Yours truly,

Northeastern Illinois University

SIGNED ORIGINAL ON FILE

Dr. Katrina Bell-Jordan, President

SIGNED ORIGINAL ON FILE

Beni Ortiz, Vice President for Finance and Administration/Treasurer

SIGNED ORIGINAL ON FILE

Nicki Bazer, Interim General Counsel

**State of Illinois
Northeastern Illinois University
Compliance Examination of Census Data**

For the Year Ended June 30, 2025

Compliance Report

Summary

The compliance testing performed during this examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the *Audit Guide*.

Accountant's Report

The Independent Accountant's Report on Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers or other significant non-standard language.

Summary of Findings

Number of	Current Report	Prior Report
Findings	1	1
Repeated findings	1	1
Prior recommendations implemented or not repeated	N/A	N/A

Schedule of Findings

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Finding				
2025-001	50	2024/2021	Inadequate Internal Controls over Census Data	Significant Deficiency and Noncompliance

Exit Conference

The University waived an exit conference in correspondence from Christy Temples, Director of Internal Audit, on November 11, 2025. The response to the recommendations was provided by Christy Temples, Director of Internal Audit, in a correspondence dated November 11, 2025.

**Independent Accountant's Report
on Compliance and on Internal Control Over Compliance**

RSM US LLP

Honorable Frank J. Mautino
Auditor General
State of Illinois

Honorable Susana M. Mendoza
Comptroller
State of Illinois

Board of Trustees
State of Illinois, Northeastern Illinois University

Dr. Katrina Bell-Jordan
President
State of Illinois, Northeastern Illinois University

External Auditors
State of Illinois, Northeastern Illinois University

Board of Trustees
State Universities Retirement System

Ms. Suzanne Mayer
Executive Director
State Universities Retirement System

Ms. Raven DeVaughn
Director
State of Illinois, Department of Central Management Services

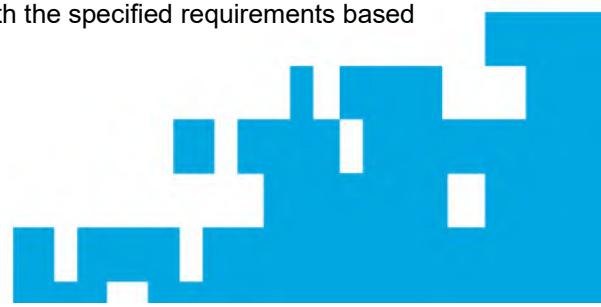
External Auditors
State of Illinois, Department of Central Management Services

Report on Compliance

As Special Assistant Auditors for the Auditor General of the State Universities Retirement System (System), we have examined compliance by management of the Northeastern Illinois University (University) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during:

1. the census data accumulation year for the System ended June 30, 2024;
2. the proportionate share allocation year for the System ended June 30, 2025;
3. the census data accumulation year for the State Employees' Group Insurance Program (Plan) administered by the State of Illinois, Department of Central Management Services (CMS) ended June 30, 2024; and,
4. the proportionate share allocation year for the Plan ended June 30, 2025.

Management of the University is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the University's compliance with the specified requirements based on our examination.



The specified requirements are:

- A. All of the University's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the University to the System.

The significant elements of census data of the System include each employee's:

- a. social security number;
- b. first and last name;
- c. date of birth;
- d. gender;
- e. earnings for the year tested; and,
- f. earned service credit.

- C. The changes in significant elements of census data for employees required to be enrolled in the Plan, in accordance with the individual employee's election to participate, occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the University to CMS through the System.

The significant elements of census data of the Plan include each member's:

- a. social security number;
- b. first and last name;
- c. date of birth;
- d. gender; and,
- e. earned service credit.

- D. The employee contributions remitted by the University to the System during the proportionate share allocation year ended June 30, 2025, were complete, accurate, and in accordance with applicable laws, rules, and regulations.
- E. The employer group insurance contributions for non-exempt employees, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the University for the Plan to CMS during the proportionate share allocation year ended June 30, 2025, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Illinois State Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the University complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the University complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the University's compliance with the specified requirements.

In our opinion, the University complied with the specified requirements, in all material respects, during:

1. the census data accumulation year for the System ended June 30, 2024;
2. the proportionate share allocation year for the System ended June 30, 2025;
3. the census data accumulation year for the Plan administered by CMS ended June 30, 2024; and,
4. the proportionate share allocation year for the Plan ended June 30, 2025.

However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as item 2025-001.

The University's response to the census data compliance finding identified in our examination is described in the accompanying Schedule of Findings. The University's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Report on Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the University's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the University's compliance with the specified requirements and to test and report on the University's internal control in accordance with the *Audit Guide*, 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, noncompliance with the specified requirements on a timely basis. A *material weakness in internal control* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control* 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 and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings as item 2025-001, that we consider to be a significant deficiency.

The University's response to the internal control finding identified in our examination is described in the accompanying Schedule of Findings. The University's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Schaumburg, Illinois
December 15, 2025

State of Illinois
Northeastern Illinois University
Compliance Examination of Census Data
Schedule of Findings

For the Year Ended June 30, 2025

Finding No. 2025-001 Inadequate Internal Controls over Census Data

The Northeastern 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 2024 to project pension and OPEB-related balances and activity at the plans during fiscal year 2025, which is incorporated into the University's fiscal year 2026 financial statements.

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

- 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 improper exclusion or inaccurate member status (active or inactive) as of fiscal year-end.
 - o Two new employee hires
 - o One employee rehire
 - o Twenty employee terminations

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.

State of Illinois
Northeastern Illinois University
Compliance Examination of Census Data
Schedule of Findings

For the Year Ended June 30, 2025

Finding No. 2025-001 Inadequate Internal Controls over Census Data (Continued)

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.

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 management indicated the two new hires and one rehire were unique cases that needed new configurations in the University's payroll application. Configurations are now in place. For the terminations, University management indicated they were not aware of the specific requirement to terminate adjuncts who had not taught in the preceding 12 months but have now implemented an appropriate review.

**State of Illinois
Northeastern Illinois University
Compliance Examination of Census Data
Schedule of Findings**

For the Year Ended June 30, 2025

Finding No. 2025-001 Inadequate Internal Controls over Census Data (Continued)

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)

Recommendation:

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.

Further, 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.

University Response:

The University is pleased to have resolved prior issues with this finding from last year's audit, which related to the initial reconciliation of census data recorded by SURS and the subsequent lack of a process to annually obtain incremental changes from SURS. Those issues have been addressed and have not recurred. While these prior issues have been resolved, the additional exceptions identified this year related to the active versus inactive status of certain employees, which affected the timely reporting of census data.

First, the late reporting of two new hires and one rehire was caused by a configuration gap within Workday, the University's human resources and payroll system. Specifically, when employees moved between positions or were rehired in a different role, their classification changed, and the system initially did not properly capture and transmit these changes to SURS. This issue has since been fully addressed, and Workday is now configured to ensure that all position or classification changes are correctly reflected and reported in a timely manner.

Second, the late reporting of twenty employee terminations primarily involved adjunct faculty-part-time instructors hired on a contractual basis. Historically, the University maintained adjunct employees in active status between semesters, even if they were not paid, to allow for rapid placement based on enrollment numbers when needed in subsequent semesters. The University staff were not aware that retaining these adjuncts as active could result in SURS reporting issues, despite the lack of compensation during the inactive period. The University has now implemented a review process to ensure that adjunct employment statuses are properly updated to comply with SURS requirements while preserving operational flexibility.

Northern Illinois University

**State of Illinois
Northern Illinois University
Compliance Examination of Census Data**

For the Year Ended June 30, 2025

UNIVERSITY OFFICIALS

President	Lisa C. Freeman
Executive Vice President and Provost	Laurie Elish-Piper
Vice President for Administration and Finance and Chief Financial Officer	George Middlemist
Vice President for Research and Innovation Partnerships	Richard Mocarski
Vice President and General Counsel	Bryan Perry
Vice President for Enrollment Management, Marketing and Communications	Sol Jensen
Vice President for Outreach, Engagement, and Regional Development	Rena Cotsones
Vice President for University Advancement (through 6/30/25)	Catherine Squires
Vice President for Philanthropy and Alumni Engagement (7/1/25 to present)	Ray Earl-Jackson
Executive Director of Internal Audit and Chief Internal Auditor	Christine Monteiro

FINANCIAL MANAGEMENT

Controller	Jason Askin
Deputy Controller	Greg Martyn
Financial Reporting Manager	Kathy Marshall

BOARD OF TRUSTEES

Chair	Montel Gayles
Vice Chair	John R. Butler
Secretary	Rita Athas
Trustee	Eric Wasowicz
Trustee	Dennis L. Barsema
Trustee	Veronica Herrero
Trustee	Leland Strom
Student Trustee	James Innis

UNIVERSITY OFFICE

The University's primary administrative office is located at:

300 Altgeld Hall
DeKalb, Illinois 60115



NORTHERN ILLINOIS UNIVERSITY

Division of Administration and Finance

MANAGEMENT ASSERTION LETTER

December 15, 2025

RSM US LLP
1450 American Lane, Suite 1400
Schaumburg, IL 60173

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, rules, and regulations applicable to identifying and enrolling eligible employees of the Northern Illinois University (University) and reporting their significant elements of census data and related employee and employer contributions within the State Universities Retirement System (System) and the State Employees' Group Insurance Program (Plan) administered by the State of Illinois, Department of Central Management Services (CMS). We are responsible for and we have established and maintained an effective system of internal controls over the specified requirements. We have performed an evaluation of the University's compliance with the specified requirements during the applicable periods noted below. Based on this evaluation, we assert the University has materially complied with the specified requirements listed below.

- A. All of the University's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the University to the System. The significant elements of census data of the System include each employee's:
 - social security number;
 - first and last name;
 - date of birth;
 - gender;
 - earnings for the year tested; and,
 - earned service credit.
- C. The changes in significant elements of census data for employees required to be enrolled in the Plan, in accordance with the individual employee's election to participate, occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the University to CMS through the System. The significant elements of census data of the Plan include each member's:
 - social security number;
 - first and last name;
 - date of birth;
 - gender; and,
 - earned service credit.

Your Future. Our Focus.

- D. The employee contributions remitted by the University to the System during the proportionate share allocation year ended June 30, 2025, were complete, accurate, and in accordance with applicable laws, rules, and regulations.
- E. The employer group insurance contributions for non-exempt employee, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the University for the Plan to CMS during the proportionate share allocation year ended June 30, 2025, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

Yours truly,

Northern Illinois University

SIGNED ORIGINAL ON FILE

Dr. Lisa C. Freeman, President

SIGNED ORIGINAL ON FILE

George Middlemist, Vice President for Administration and Finance and Chief Financial Officer

SIGNED ORIGINAL ON FILE

Bryan Perry, Vice President and General Counsel

**State of Illinois
Northern Illinois University
Compliance Examination of Census Data**

For the Year Ended June 30, 2025

Compliance Report

Summary

The compliance testing performed during this examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the *Audit Guide*.

Accountant's Report

The Independent Accountant's Report on Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers or other significant non-standard language.

Summary of Findings

Number of	Current Report	Prior Report
Findings	1	1
Repeated findings	1	1
Prior recommendations implemented or not repeated	N/A	N/A

Schedule of Findings

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Finding				
2025-001	60	2024/2021	Inadequate Internal Controls over Census Data	Significant Deficiency and Noncompliance

Exit Conference

The University waived an exit conference in correspondence from Jason Askin, Controller, on November 6, 2025. The response to the recommendation was provided by Jason Askin, Controller, in a correspondence dated November 18, 2025.

**Independent Accountant's Report
on Compliance and on Internal Control Over Compliance**

RSM US LLP

Honorable Frank J. Mautino
Auditor General
State of Illinois

Honorable Susana M. Mendoza
Comptroller
State of Illinois

Board of Trustees
State of Illinois, Northern Illinois University

Lisa C. Freeman
President
State of Illinois, Northern Illinois University

External Auditors
State of Illinois, Northern Illinois University

Board of Trustees
State Universities Retirement System

Ms. Suzanne Mayer
Executive Director
State Universities Retirement System

Ms. Raven DeVaughn
Director
State of Illinois, Department of Central Management Services

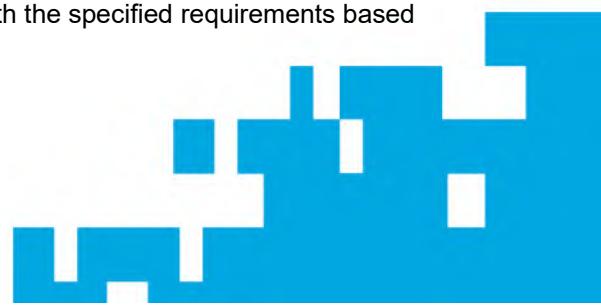
External Auditors
State of Illinois, Department of Central Management Services

Report on Compliance

As Special Assistant Auditors for the Auditor General of the State Universities Retirement System (System), we have examined compliance by management of the Northern Illinois University (University) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during:

1. the census data accumulation year for the System ended June 30, 2024;
2. the proportionate share allocation year for the System ended June 30, 2025;
3. the census data accumulation year for the State Employees' Group Insurance Program (Plan) administered by the State of Illinois, Department of Central Management Services (CMS) ended June 30, 2024; and,
4. the proportionate share allocation year for the Plan ended June 30, 2025.

Management of the University is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the University's compliance with the specified requirements based on our examination.



The specified requirements are:

- A. All of the University's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the University to the System.

The significant elements of census data of the System include each employee's:

- a. social security number;
- b. first and last name;
- c. date of birth;
- d. gender;
- e. earnings for the year tested; and,
- f. earned service credit.

- C. The changes in significant elements of census data for employees required to be enrolled in the Plan, in accordance with the individual employee's election to participate, occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the University to CMS through the System.

The significant elements of census data of the Plan include each member's:

- a. social security number;
- b. first and last name;
- c. date of birth;
- d. gender; and,
- e. earned service credit.

- D. The employee contributions remitted by the University to the System during the proportionate share allocation year ended June 30, 2025, were complete, accurate, and in accordance with applicable laws, rules, and regulations.
- E. The employer group insurance contributions for non-exempt employees, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the University for the Plan to CMS during the proportionate share allocation year ended June 30, 2025, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Illinois State Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the University complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the University complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the University's compliance with the specified requirements.

In our opinion, the University complied with the specified requirements, in all material respects, during:

1. the census data accumulation year for the System ended June 30, 2024;
2. the proportionate share allocation year for the System ended June 30, 2025;
3. the census data accumulation year for the Plan administered by CMS ended June 30, 2024; and,
4. the proportionate share allocation year for the Plan ended June 30, 2025.

However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as item 2025-001.

The University's response to the census data compliance finding identified in our examination is described in the accompanying Schedule of Findings. The University's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Report on Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the University's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the University's compliance with the specified requirements and to test and report on the University's internal control in accordance with the *Audit Guide*, 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, noncompliance with the specified requirements on a timely basis. A *material weakness in internal control* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control* 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 and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings as item 2025-001, that we consider to be a significant deficiency.

The University's response to the internal control finding identified in our examination is described in the accompanying Schedule of Findings. The University's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Schaumburg, Illinois
December 15, 2025

State of Illinois
Northern Illinois University
Compliance Examination of Census Data
Schedule of Findings

For the Year Ended June 30, 2025

Finding No. 2025-001 Inadequate Internal Controls over Census Data

The 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 (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 2024 to project pension and OPEB-related balances and activity at the plans during fiscal year 2025, which is incorporated into the University's fiscal year 2026 financial statements.

During the performance of the census examination, while performing cut-off testing of data transmitted by the University to the System, the auditors identified thirty-two 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.

The result of the errors above led to 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.

University officials indicated that the exceptions occurred due to untimely notifications from departments regarding the termination of mostly part time faculty contracts. These contracts are not secured until enrollment levels are secured after the beginning of the fiscal year.

**State of Illinois
Northern Illinois University
Compliance Examination of Census Data
Schedule of Findings**

For the Year Ended June 30, 2025

Finding No. 2025-001 Inadequate Internal Controls over Census Data (Continued)

Failure to ensure that complete and accurate census data is 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. (Finding Code No. 2025-001, 2024-001, 2023-001, 2022-001, 2021-001)

Recommendation:

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.

University Response:

Accepted. The University will incorporate the need for timely notifications of temporary employees not returning to work to Human Resources in upcoming supervisor training sessions and Human Resource Services' official reminders of business procedures. The University will also explore the option of automating the termination of temporary employees at the end of their contract period.

Southern Illinois University

**State of Illinois
Southern Illinois University
Compliance Examination of Census Data**

For the Year Ended June 30, 2025

UNIVERSITY OFFICIALS

President	Dr. Daniel Mahony
General Counsel	Lucas Crater
Senior Vice President, Financial & Administrative Affairs and Board Treasurer (through 8/30/25)	Duane Stucky
Vice President, Financial & Administrative Affairs and Board Treasurer (8/31/25 to 9/14/25)	Vacant
Vice President, Financial & Administrative Affairs and Board Treasurer (9/15/25 to Present)	Justin Oates
Executive Director, Internal Audit (through 12/31/24)	Kimberly Labonte
Interim Executive Director, Internal Audit (1/1/25 to 6/30/25)	Jamie Grapperhaus
Executive Director, Internal Audit (7/1/25 to Present)	Evonne Thompson
SIUC Chancellor	Austin Lane
SIUE Chancellor	James T. Minor

BOARD OFFICERS

Board Chair	J. Phil Gilbert
Board Vice Chair	Ed Hightower
Board Secretary (through 3/28/25)	Subhash Sharma
Board Secretary (3/29/25 to 4/16/25)	Vacant
Board Secretary (4/17/25 to present)	Sara Salger
Secretary to the Board	Paula Keith

GOVERNING BOARD MEMBERS

Trustee	Edgar Curtis
Trustee	J. Phil Gilbert
Trustee	Ed Hightower
Trustee	Sara Salger
Trustee (through 3/28/25)	Subhash Sharma
Trustee	John Simmons
Trustee (through 5/1/25)	Roger Tedrick
Trustee (3/28/25)	Toni Williams
Trustee (8/1/25)	Deb Barnett
Student Trustee (7/1/24 to Present)	Hannah Connolly
Student Trustee (1/27/25 to Present)	Moayad Abuzaneh
Student Trustee (7/1/24 to 12/2/24)	Kaia Ford
Student Trustee (7/1/23 to 6/30/24)	Lauren Harris
Student Trustee (7/1/23 to 6/30/24)	Victor Ludwig

UNIVERSITY OFFICE

The University'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



Southern Illinois University System
ONE SYSTEM | MANY LOCATIONS | STATEWIDE IMPACT

MANAGEMENT ASSERTION LETTER

December 15, 2025

RSM US LLP
1450 American Lane, Suite 1400
Schaumburg, IL 60173

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, rules, and regulations applicable to identifying and enrolling eligible employees of the Southern Illinois University (University) and reporting their significant elements of census data and related employee and employer contributions within the State Universities Retirement System (System) and the State Employees' Group Insurance Program (Plan) administered by the State of Illinois, Department of Central Management Services (CMS). We are responsible for and we have established and maintained an effective system of internal controls over the specified requirements. We have performed an evaluation of the University's compliance with the specified requirements during the applicable periods noted below. Based on this evaluation, we assert the University has materially complied with the specified requirements listed below.

- A. All of the University's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the University to the System. The significant elements of census data of the System include each employee's:
 - social security number;
 - first and last name;
 - date of birth;
 - gender;
 - earnings for the year tested; and,
 - earned service credit.
- C. The changes in significant elements of census data for employees required to be enrolled in the Plan, in accordance with the individual employee's election to participate, occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the University to CMS through the System. The significant elements of census data of the Plan include each member's:
 - social security number;
 - first and last name;
 - date of birth;
 - gender; and,

- earned service credit.

D. The employee contributions remitted by the University to the System during the proportionate share allocation year ended June 30, 2025, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

E. The employer group insurance contributions for non-exempt employees, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the University for the Plan to CMS during the proportionate share allocation year ended June 30, 2025, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

Yours truly,

Southern Illinois University

SIGNED ORIGINAL ON FILE

Dr. Daniel Mahony, President

SIGNED ORIGINAL ON FILE

Justin Oates, Vice President for Financial and Administrative Affairs and Board Treasurer

SIGNED ORIGINAL ON FILE

Lucas Crater, General Counsel

**State of Illinois
Southern Illinois University
Compliance Examination of Census Data**

For the Year Ended June 30, 2025

Compliance Report

Summary

The compliance testing performed during this examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the *Audit Guide*.

Accountant's Report

The Independent Accountant's Report on Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers or other significant non-standard language.

Summary of Findings

Number of	Current Report	Prior Report
Findings	1	1
Repeated findings	1	None
Prior recommendations implemented or not repeated	N/A	N/A

Schedule of Findings

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Finding				
2025-001	70	2024/2024	Inadequate Internal Controls over Census Data	Material Weakness and Noncompliance

**State of Illinois
Southern Illinois University
Compliance Examination of Census Data**

For the Year Ended June 30, 2025

Exit Conference

The finding and recommendation appearing in this report was discussed with University personnel at an exit conference on November 17, 2025.

Attending were:

Southern Illinois University

Dr. Daniel Mahony, President
Justin Oates, Vice President for Financial and Administrative Affairs and Board Treasurer
Evonne Thompson, Executive Director of Internal Audit
Nick Wortman, Assistant Vice Chancellor for Human Resources, Carbondale
Julie McReynolds, Interim Director for Benefits and Payroll Services, Carbondale
Deb Talbot, Interim Director of Human Resources, Edwardsville
LaVontas Hairston, Assistant Director Benefits and Payroll, Edwardsville
Stephanie Heffron - Senior Payroll Officer, Tax & Compliance, Edwardsville

Office of the Auditor General and Special Assistant Auditor

Emily Rivalland, Audit Manager – Office of the Auditor General
Bill Sarb, Partner – RSM US LLP
Chad McCoy, Manager – RSM US LLP

The response to the recommendations was provided by Evonne Thompson, Executive Director of Internal Audit, in a correspondence dated November 19, 2025.

**Independent Accountant's Report
on Compliance and on Internal Control Over Compliance**

RSM US LLP

Honorable Frank J. Mautino
Auditor General
State of Illinois

Honorable Susana M. Mendoza
Comptroller
State of Illinois

Governing Board
State of Illinois, Southern Illinois University

Dr. Daniel Mahony
President
State of Illinois, Southern Illinois University

External Auditors
State of Illinois, Southern Illinois University

Board of Trustees
State Universities Retirement System

Ms. Suzanne Mayer
Executive Director
State Universities Retirement System

Ms. Raven DeVaughn
Director
State of Illinois, Department of Central Management Services

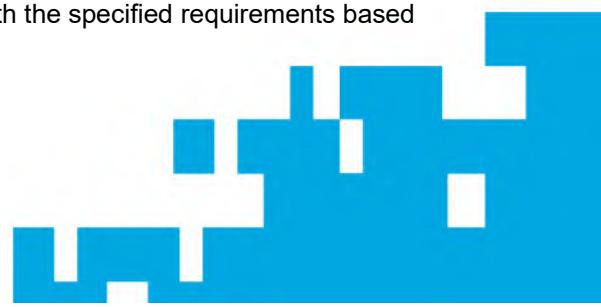
External Auditors
State of Illinois, Department of Central Management Services

Report on Compliance

As Special Assistant Auditors for the Auditor General of the State Universities Retirement System (System), we have examined compliance by management of the Southern Illinois University (University) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during:

1. the census data accumulation year for the System ended June 30, 2024;
2. the proportionate share allocation year for the System ended June 30, 2025;
3. the census data accumulation year for the State Employees' Group Insurance Program (Plan) administered by the State of Illinois, Department of Central Management Services (CMS) ended June 30, 2024; and,
4. the proportionate share allocation year for the Plan ended June 30, 2025.

Management of the University is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the University's compliance with the specified requirements based on our examination.



The specified requirements are:

- A. All of the University's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the University to the System.

The significant elements of census data of the System include each employee's:

- a. social security number;
- b. first and last name;
- c. date of birth;
- d. gender;
- e. earnings for the year tested; and,
- f. earned service credit.

- C. The changes in significant elements of census data for employees required to be enrolled in the Plan, in accordance with the individual employee's election to participate, occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the University to CMS through the System.

The significant elements of census data of the Plan include each member's:

- a. social security number;
- b. first and last name;
- c. date of birth;
- d. gender; and,
- e. earned service credit.

- D. The employee contributions remitted by the University to the System during the proportionate share allocation year ended June 30, 2025, were complete, accurate, and in accordance with applicable laws, rules, and regulations.
- E. The employer group insurance contributions for non-exempt employees, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the University for the Plan to CMS during the proportionate share allocation year ended June 30, 2025, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Illinois State Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the University complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the University complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the University's compliance with the specified requirements.

In our opinion, the University complied with the specified requirements, in all material respects, during:

1. the census data accumulation year for the System ended June 30, 2024;
2. the proportionate share allocation year for the System ended June 30, 2025;
3. the census data accumulation year for the Plan administered by CMS ended June 30, 2024; and,
4. the proportionate share allocation year for the Plan ended June 30, 2025.

However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as item 2025-001.

The University's response to the census data compliance finding identified in our examination is described in the accompanying Schedule of Findings. The University's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Report on Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the University's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the University's compliance with the specified requirements and to test and report on the University's internal control in accordance with the *Audit Guide*, 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, noncompliance with the specified requirements on a timely basis. A *material weakness in internal control* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control* 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 and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings as item 2025-001, that we consider to be a material weakness.

The University's response to the internal control finding identified in our examination is described in the accompanying Schedule of Findings. The University's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Schaumburg, Illinois
December 15, 2025

State of Illinois
Southern Illinois University
Compliance Examination of Census Data
Schedule of Findings

For the Year Ended June 30, 2025

Finding No. 2025-001 Inadequate Internal Controls over Census Data

The Southern 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 2024 to project pension and OPEB-related balances and activity at the plans during fiscal year 2025, which is incorporated into the University's fiscal year 2026 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 developed a University-wide 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 ninety-four 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.
- During the testing of System records to University records, the University was not able to provide corroborating evidence for the gender of two of sixty (3%) members selected for testing.
- During the testing of University records to System records, the University was not able to provide corroborating evidence for the social security number of one of sixty (2%) employees selected for testing.

The result of the errors above led to 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.

**State of Illinois
Southern Illinois University
Compliance Examination of Census Data
Schedule of Findings**

For the Year Ended June 30, 2025

Finding No. 2025-001 Inadequate Internal Controls over Census Data (Continued)

The State Records Act (5 ILCS 160/8) requires the University to make and preserve records containing adequate and proper documentation of its essential transactions to protect the legal and financial rights of the State and of persons directly affected by the University's activities.

Further, 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.

University officials indicated the exceptions occurred due to significant turnover in the Human Resources department, as well as the difficulty in timely reporting events which occur near the end of the fiscal year to the System. Efforts are made to report as soon as administratively possible. Additionally, terminations of term faculty members are reported after the determination and review of reappointment status.

Failure to ensure that complete and accurate census data is 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 maintain adequate supporting documentation inhibits the auditor's ability to verify the accuracy of the data being provided to the actuaries. (Finding Code No. 2025-001, 2024-001)

Recommendation:

We recommend the University strengthen controls to ensure to establish a University-wide 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 maintain accurate and relevant supporting documentation for all employees, especially documentation containing the significant elements of census data.

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.

University Response:

Accepted. SIU understands this finding and accepts the recommendation. The University will continue to review and refine its procedures to ensure the accuracy and timeliness of reporting to SURS. Our objective is to strengthen controls and enhance reconciliation processes between System data and University data. We will also prioritize employee training to support effective communication between the System and the campuses, enabling more timely identification and resolution of discrepancies throughout the reporting cycle. In addition, process improvements and training will reinforce departmental responsibilities for promptly reporting year-end events to Human Resources.

University of Illinois

**State of Illinois
University of Illinois
Compliance Examination of Census Data**

For the Year Ended June 30, 2025

UNIVERSITY OFFICIALS

President	Timothy L. Killeen
Chancellor and Vice President, University of Illinois – Urbana-Champaign	Robert J. Jones
Chancellor and Vice President, University of Illinois – Chicago	Marie Lynn Miranda
Chancellor and Vice President, University of Illinois – Springfield	Janet L. Gooch
Associate Vice President for Business and Finance and Controller, Deputy Comptroller	Brent Rasmus
Executive Director of University Audits	Julie A. Zemaitis

BOARD OF TRUSTEES

Ex Officio Member Honorable Chair	Honorable J.B. Pritzker Jesse H. Ruiz
Treasurer	Lester H. McKeever, Jr.
Vice President, Chief Financial Officer and Comptroller	Paul N. Ellinger
University Counsel	Scott E. Rice
Secretary	Jeffery A. Stein
Member	J. Carolyn Blackwell
Member	Ramón Cepeda
Member	Tami Craig Schilling
Member	Joseph D. Gutman
Member	Suzet M. McKinney
Member	Wilbert C. Milhouse, III
Member	Sarah C. Phalen
Member	Jesse H. Ruiz
Member	Bryan S. Traubert
Student Member – University of Illinois – Urbana-Champaign	Ariana A. Mizan
Student Member – University of Illinois – Chicago	Quinn S. Basta
Student Member – University of Illinois – Springfield	Christian Johnson



MANAGEMENT ASSERTION LETTER

December 15, 2025

RSM US LLP
1450 American Lane, Suite 1400
Schaumburg, IL 60173

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, rules, and regulations applicable to identifying and enrolling eligible employees of the University of Illinois (University) and reporting their significant elements of census data and related employee and employer contributions within the State Universities Retirement System (System) and the State Employees' Group Insurance Program (Plan) administered by the State of Illinois, Department of Central Management Services (CMS). We are responsible for and we have established and maintained an effective system of internal controls over the specified requirements. We have performed an evaluation of the University's compliance with the specified requirements during the applicable periods noted below. Based on this evaluation, we assert the University has materially complied with the specified requirements listed below.

- A. All of the University's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the University to the System. The significant elements of census data of the System include each employee's:
 - social security number;
 - first and last name;
 - date of birth;
 - gender;
 - earnings for the year tested; and,
 - earned service credit.
- C. The changes in significant elements of census data for employees required to be enrolled in the Plan, in accordance with the individual employee's election to participate, occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the University to CMS through the System. The significant elements of census data of the Plan include each member's:
 - social security number;
 - first and last name;
 - date of birth;
 - gender; and,
 - earnings service credit.

- D. The employee contributions remitted by the University to the System during the proportionate share allocation year ended June 30, 2025, were complete, accurate, and in accordance with applicable laws, rules, and regulations.
- E. The employer group insurance contributions for non-exempt employees, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the University for the Plan to CMS during the proportionate share allocation year ended June 30, 2025, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

Yours truly,

University of Illinois

SIGNED ORIGINAL ON FILE

Timothy L. Killeen, President

SIGNED ORIGINAL ON FILE

Paul N. Ellinger, Vice President, Chief Financial Officer and Comptroller

SIGNED ORIGINAL ON FILE

Scott E. Rice, University Counsel

**State of Illinois
University of Illinois
Compliance Examination of Census Data**

For the Year Ended June 30, 2025

Compliance Report

Summary

The compliance testing performed during this examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the *Audit Guide*.

Accountant's Report

The Independent Accountant's Report on Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers or other significant non-standard language.

Summary of Findings

Number of	Current Report	Prior Report
Findings	1	1
Repeated findings	1	1
Prior recommendations implemented or not repeated	N/A	N/A

Schedule of Findings

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Finding				
2025-001	79	2024/2021	Inadequate Internal Controls over Census Data	Significant Deficiency and Noncompliance

Exit Conference

The University waived an exit conference in correspondence from Brent Rasmus, Assistant Vice President and Controller, on November 6, 2025. The response to the recommendations was provided by Brent Rasmus, Assistant Vice President and Controller, in a correspondence dated November 11, 2025.

**Independent Accountant's Report
on Compliance and on Internal Control Over Compliance**

RSM US LLP

Honorable Frank J. Mautino
Auditor General
State of Illinois

Honorable Susana M. Mendoza
Comptroller
State of Illinois

Board of Trustees
State of Illinois, University of Illinois

Timothy L. Killeen
President
State of Illinois, University of Illinois

External Auditors
State of Illinois, University of Illinois

Board of Trustees
State Universities Retirement System

Ms. Suzanne Mayer
Executive Director
State Universities Retirement System

Ms. Raven DeVaughn
Director
State of Illinois, Department of Central Management Services

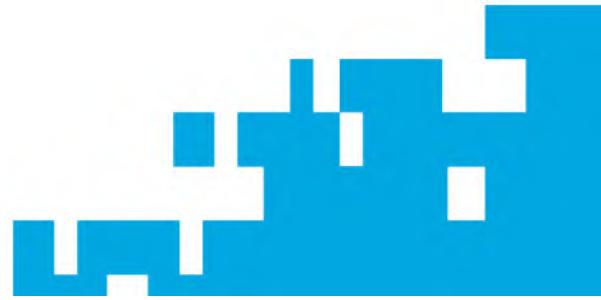
External Auditors
State of Illinois, Department of Central Management Services

Report on Compliance

As Special Assistant Auditors for the Auditor General of the State Universities Retirement System (System), we have examined compliance by management of the University of Illinois (University) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during:

1. the census data accumulation year for the System ended June 30, 2024;
2. the proportionate share allocation year for the System ended June 30, 2025;
3. the census data accumulation year for the State Employees' Group Insurance Program (Plan) administered by the State of Illinois, Department of Central Management Services (CMS) ended June 30, 2024; and,
4. the proportionate share allocation year for the Plan ended June 30, 2025.

Management of the University is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the University's compliance with the specified requirements based on our examination.



The specified requirements are:

- A. All of the University's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the University to the System.

The significant elements of census data of the System include each employee's:

- a. social security number;
- b. first and last name;
- c. date of birth;
- d. gender;
- e. earnings for the year tested; and,
- f. earned service credit.

- C. The changes in significant elements of census data for employees required to be enrolled in the Plan, in accordance with the individual employee's election to participate, occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the University to CMS through the System.

The significant elements of census data of the Plan include each member's:

- a. social security number;
- b. first and last name;
- c. date of birth;
- d. gender; and,
- e. earned service credit.

- D. The employee contributions remitted by the University to the System during the proportionate share allocation year ended June 30, 2025, were complete, accurate, and in accordance with applicable laws, rules, and regulations.
- E. The employer group insurance contributions for non-exempt employees, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the University for the Plan to CMS during the proportionate share allocation year ended June 30, 2025, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Illinois State Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the University complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the University complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the University's compliance with the specified requirements.

In our opinion, the University complied with the specified requirements, in all material respects, during:

1. the census data accumulation year for the System ended June 30, 2024;
2. the proportionate share allocation year for the System ended June 30, 2025;
3. the census data accumulation year for the Plan administered by CMS ended June 30, 2024; and,
4. the proportionate share allocation year for the Plan ended June 30, 2025.

However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as item 2025-001.

The University's response to the census data compliance finding identified in our examination is described in the accompanying Schedule of Findings. The University's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Report on Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the University's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the University's compliance with the specified requirements and to test and report on the University's internal control in accordance with the *Audit Guide*, 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, noncompliance with the specified requirements on a timely basis. A *material weakness in internal control* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control* 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 and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings as item 2025-001, that we consider to be a significant deficiency.

The University's response to the internal control finding identified in our examination is described in the accompanying Schedule of Findings. The University's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Schaumburg, Illinois
December 15, 2025

State of Illinois
University of Illinois
Compliance Examination of Census Data
Schedule of Findings

For the Year Ended June 30, 2025

Finding No. 2025-001 Inadequate Internal Controls over Census Data

The University of Illinois (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 2024 to project pension and OPEB-related balances and activity at the plans during fiscal year 2025, which is incorporated into the University's fiscal year 2026 financial statements.

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

- During completeness testing of University faculty data, the auditors identified nine 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 the following events were reported to the System after the close of the fiscal year in which the event occurred, resulting in improper exclusion or inaccurate member status (active or inactive) as of fiscal year-end.
 - o Twelve new employee hires
 - o Twenty-three employees going on a leave of absence
 - o Five employees returning from a leave of absence
 - o Two hundred seventy-three employee terminations

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.

**State of Illinois
University of Illinois
Compliance Examination of Census Data
Schedule of Findings**

For the Year Ended June 30, 2025

Finding No. 2025-001 Inadequate Internal Controls over Census Data (Continued)

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.

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 indicated transactions impacting this census data accumulation period were not reported in a timely manner because many, but not all, of the census data processes are automated. The processes that must be reported manually are sometimes delayed due to significant workload at the unit level and labor-intensive manual reporting procedures.

**State of Illinois
University of Illinois
Compliance Examination of Census Data
Schedule of Findings**

For the Year Ended June 30, 2025

Finding No. 2025-001 Inadequate Internal Controls over Census Data (Continued)

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)

Recommendation:

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.

Further, 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.

University Response:

Accepted. The University, with a workforce of more than 70,000 employees, has established a comprehensive framework of electronic and manual controls designed to ensure the accurate identification of employees eligible for SURS and OPEB. The University acknowledges, however, that these controls have not always ensured the timely reporting of employee events to SURS, and that certain controls related to the determination of pension and OPEB eligibility did not consistently operate as intended. The University remains committed to enhancing the timeliness and accuracy of reporting employee events affecting pension and OPEB census data and to strengthening the effectiveness of its processes for determining eligibility.

Western Illinois University

**State of Illinois
Western Illinois University
Compliance Examination of Census Data**

For the Year Ended June 30, 2025

UNIVERSITY OFFICIALS

President (12/6/24 – Present)	Dr. Kristi Mindrup
Interim President (4/1/24 – 12/5/24)	Dr. Kristi Mindrup
President (7/1/23 – 3/31/24)	Dr. Guiyou Huang
Provost and Academic Vice President (9/1/25 – Present)	Dr. Mark A. Mossman
Interim Provost and Academic Vice President (11/1/23 – 8/31/25)	Dr. Mark A. Mossman
Provost and Academic Vice President (7/1/22 – 10/31/23)	Dr. Manoochehr Zoghi
Vice President for Student Success (3/1/25 – Present)	Mr. Justin Schuch
Vice President for Student Success, Interim (4/29/24 – 2/28/25)	Mr. Justin Schuch
Vice President for Student Success (8/1/22 – 4/28/24)	Mr. John Smith
Vice President for Finance and Administration (10/1/24 – Present)	Ms. Ketra M. Roselieb
Interim, Vice President for Finance and Administration (7/1/24 – 9/30/24)	Mr. John Smith
Vice President for Finance and Administration (7/1/23 – 6/30/24)	Mr. Paul Edwards
Vice President for Quad Cities Campus Operations (7/1/20 – 3/31/24) <i>(position discontinued 04/1/24)</i>	Dr. Kristi Mindrup
Executive Director of Financial Affairs <i>(position discontinued 10/1/24)</i>	Ms. Ketra M. Roselieb
Director of Financial Affairs, Controller	Ms. Jessica R. Dunn
Director of Internal Auditing (1/9/23 – Present)	Ms. Rita Moore
General Counsel (10/1/25 – Present)	Vacant
Interim General Counsel (9/16/23 – 9/30/25)	Ms. Victoria R. Smith
General Counsel (7/1/21 – 9/15/23)	Ms. Elizabeth Duvall
BOARD OF TRUSTEES	
Chair	Polly Radosh, Good Hope
Vice Chair	Carin Stutz, Chicago
Secretary	Erika Lowe Mullins, Chicago
Member	Kisha M.J. Lang, Maywood
Member	Kirk Dillard, Hinsdale
Student Member	James Bierman, Newton

UNIVERSITY OFFICES

The University's offices are located at:

Macomb Campus 1 University Circle Macomb, Illinois 61455-1390	Quad Cities Campus 3300 River Drive Moline, Illinois 61265-1746
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MANAGEMENT ASSERTION LETTER

December 15, 2025

RSM US LLP
1450 American Lane, Suite 1400
Schaumburg, IL 60173

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, rules, and regulations applicable to identifying and enrolling eligible employees of the Western Illinois University (University) and reporting their significant elements of census data and related employee and employer contributions within the State Universities Retirement System (System) and the State Employees' Group Insurance Program (Plan) administered by the State of Illinois, Department of Central Management Services (CMS). We are responsible for and we have established and maintained an effective system of internal controls over the specified requirements. We have performed an evaluation of the University's compliance with the specified requirements during the applicable periods noted below. Based on this evaluation, we assert the University has materially complied with the specified requirements listed below.

- A. All of the University's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the University to the System. The significant elements of census data of the System include each employee's:
 - social security number;
 - first and last name;
 - date of birth;
 - gender;
 - earnings for the year tested; and,
 - earned service credit.
- C. The changes in significant elements of census data for employees required to be enrolled in the Plan, in accordance with the individual employee's election to participate, occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the University to CMS through the System. The significant elements of census data of the Plan include each member's:
 - social security number;
 - first and last name;
 - date of birth;
 - gender; and,
 - earned service credit.

Vice President for Finance & Administration
Sherman Hall 200, 1 University Circle, Macomb, IL 61455-1390
Tel 309.298.2073

- D. The employee contributions remitted by the University to the System during the proportionate share allocation year ended June 30, 2025, were complete, accurate, and in accordance with applicable laws, rules, and regulations.
- E. The employer group insurance contributions for non-exempt employees, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the University for the Plan to CMS during the proportionate share allocation year ended June 30, 2025, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

Yours truly,

Western Illinois University

SIGNED ORIGINAL ON FILE

Dr. Kristi Mindrup, President

SIGNED ORIGINAL ON FILE

Ketra M. Roselieb, Vice President for Finance and Administration

**State of Illinois
Western Illinois University
Compliance Examination of Census Data**

For the Year Ended June 30, 2025

Compliance Report

Summary

The compliance testing performed during this examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the *Audit Guide*.

Accountant's Report

The Independent Accountant's Report on Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers or other significant non-standard language.

Summary of Findings

Number of	Current Report	Prior Report
Findings	1	1
Repeated findings	1	None
Prior recommendations implemented or not repeated	N/A	N/A

Schedule of Findings

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Finding				
2025-001	89	2024/2024	Inadequate Internal Controls over Census Data	Significant Deficiency and Noncompliance

Exit Conference

The University waived an exit conference in correspondence from Deanna Eden, Assistant Comptroller, Financial Reporting and Payroll, on November 6, 2025. The response to the recommendation was provided by Deanna Eden, Assistant Comptroller, Financial Reporting and Payroll, in a correspondence dated November 6, 2025.

**Independent Accountant's Report
on Compliance and on Internal Control Over Compliance**

RSM US LLP

Honorable Frank J. Mautino
Auditor General
State of Illinois

Honorable Susana M. Mendoza
Comptroller
State of Illinois

Board of Trustees
State of Illinois, Western Illinois University

Dr. Kristi Mindrup
President
State of Illinois, Western Illinois University

External Auditors
State of Illinois, Western Illinois University

Board of Trustees
State Universities Retirement System

Ms. Suzanne Mayer
Executive Director
State Universities Retirement System

Ms. Raven DeVaughn
Director
State of Illinois, Department of Central Management Services

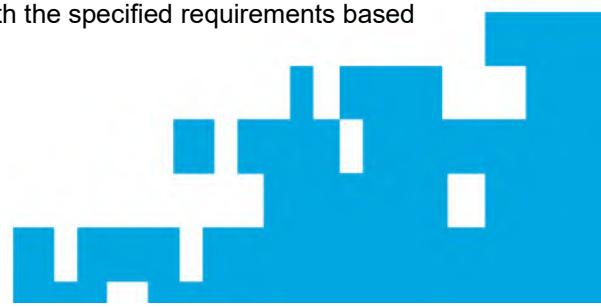
External Auditors
State of Illinois, Department of Central Management Services

Report on Compliance

As Special Assistant Auditors for the Auditor General of the State Universities Retirement System (System), we have examined compliance by management of the Western Illinois University (University) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during:

1. the census data accumulation year for the System ended June 30, 2024;
2. the proportionate share allocation year for the System ended June 30, 2025;
3. the census data accumulation year for the State Employees' Group Insurance Program (Plan) administered by the State of Illinois, Department of Central Management Services (CMS) ended June 30, 2024; and,
4. the proportionate share allocation year for the Plan ended June 30, 2025.

Management of the University is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the University's compliance with the specified requirements based on our examination.



The specified requirements are:

- A. All of the University's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the University to the System.

The significant elements of census data of the System include each employee's:

- a. social security number;
- b. first and last name;
- c. date of birth;
- d. gender;
- e. earnings for the year tested; and,
- f. earned service credit.

- C. The changes in significant elements of census data for employees required to be enrolled in the Plan, in accordance with the individual employee's election to participate, occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the University to CMS through the System.

The significant elements of census data of the Plan include each member's:

- a. social security number;
- b. first and last name;
- c. date of birth;
- d. gender; and,
- e. earned service credit.

- D. The employee contributions remitted by the University to the System during the proportionate share allocation year ended June 30, 2025, were complete, accurate, and in accordance with applicable laws, rules, and regulations.
- E. The employer group insurance contributions for non-exempt employees, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the University for the Plan to CMS during the proportionate share allocation year ended June 30, 2025, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Illinois State Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the University complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the University complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the University's compliance with the specified requirements.

In our opinion, the University complied with the specified requirements, in all material respects, during:

1. the census data accumulation year for the System ended June 30, 2024;
2. the proportionate share allocation year for the System ended June 30, 2025;
3. the census data accumulation year for the Plan administered by CMS ended June 30, 2024; and,
4. the proportionate share allocation year for the Plan ended June 30, 2025.

However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as item 2025-001.

The University's response to the census data compliance finding identified in our examination is described in the accompanying Schedule of Findings. The University's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Report on Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the University's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the University's compliance with the specified requirements and to test and report on the University's internal control in accordance with the *Audit Guide*, 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, noncompliance with the specified requirements on a timely basis. A *material weakness in internal control* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control* 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 and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings as item 2025-001, that we consider to be a significant deficiency.

The University's response to the internal control finding identified in our examination is described in the accompanying Schedule of Findings. The University's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Schaumburg, Illinois
December 15, 2025

State of Illinois
Western Illinois University
Compliance Examination of Census Data
Schedule of Findings

For the Year Ended June 30, 2025

Finding No. 2025-001 Inadequate Internal Controls over Census Data

The Western 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 2024 to project pension and OPEB-related balances and activity at the plans during fiscal year 2025, which is incorporated into the University's fiscal year 2026 financial statements.

During the performance of the census examination, while performing cut-off testing of data transmitted by the University to the System, the auditors identified forty-six 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) at fiscal year-end.

The result of the errors above led to 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.

University management indicated the late reported events were due to late summer layoffs of regular instructors and a prior process of delaying termination reporting until it was evident that adjunct instructors were not returning for the next term. The adjunct termination process has been changed.

**State of Illinois
Western Illinois University
Compliance Examination of Census Data
Schedule of Findings**

For the Year Ended June 30, 2025

Finding No. 2025-001 Inadequate Internal Controls over Census Data (Continued)

Failure to ensure that complete and accurate census data is 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. (Finding Code No. 2025-001, 2024-001)

Recommendation:

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.

University Response:

University accepts finding. Adjunct internal processes have been changed.