



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

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

**CHICAGO STATE UNIVERSITY**

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

**Release Date: March 10, 2026**

FINDINGS THIS AUDIT: 4	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	2	2	2023	25-04		
Category 2:	1	1	2	2020	25-03	25-01	
Category 3:	0	0	0				
<b>TOTAL</b>	<b>1</b>	<b>3</b>	<b>4</b>				
FINDINGS LAST AUDIT: 3							

**INTRODUCTION**

This digest covers the Chicago State University’s (University) Financial Audit as of and for the year ended June 30, 2025. The University’s State Compliance Examination and Single Audit reports will be separately issued at a later date.

**SYNOPSIS**

- **(25-02)** The University did not exercise adequate internal control over its financial reporting.
- **(25-04)** The University did not have adequate internal controls to ensure compliance with the Illinois Pension Code.

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

**CHICAGO STATE UNIVERSITY**  
**FINANCIAL AUDIT**  
**For the Year Ended June 30, 2025**

REVENUES, EXPENSES, AND CHANGES IN NET POSITION	2025	2024
<b>Operating Revenues</b>		
Student tuition and fees, net.....	\$ 12,711,586	\$ 12,504,561
Federal grants and contracts.....	9,630,705	8,467,290
State and local grants and contracts.....	4,901,533	3,502,559
Nongovernmental grants and contracts.....	1,802,944	950,540
Auxiliary enterprises.....	4,770,214	4,734,038
Other operating revenues.....	35,249	7,182
Total Operating Revenues.....	33,852,231	30,166,170
<b>Operating Expenses</b>		
Instruction.....	38,552,328	36,338,288
Research.....	3,020,784	1,693,734
Public service.....	874,373	1,025,037
Academic support.....	7,668,192	6,865,191
Student services.....	5,059,802	4,559,166
Institutional support.....	16,633,793	15,208,638
Operations and maintenance of plant.....	14,640,268	14,893,854
Depreciation and amortization.....	5,760,251	5,498,575
Scholarship and fellowship.....	11,374,478	10,594,874
Auxiliary enterprises.....	14,620,795	11,097,295
Total Operating Expenses.....	118,205,064	107,774,652
Operating (Loss).....	(84,352,833)	(77,608,482)
<b>Nonoperating Revenues (Expenses)</b>		
State appropriations.....	43,437,700	42,650,800
Special funding situation.....	9,495,528	7,373,003
On-behalf payments.....	9,261,000	7,770,000
Federal and State nonoperating grants.....	13,464,144	14,992,688
Investment income.....	397,458	572,970
Interest on capital assets - related debt.....	(211,738)	(235,147)
Other, net.....	9,499,297	12,414,435
Increase (Decrease) in Net Position.....	990,556	7,930,267
Net position, beginning of year.....	173,228,460	165,298,193
Net position, end of year.....	\$ 174,219,016	\$ 173,228,460
STATEMENT OF NET POSITION	2025	2024
Cash and Cash Equivalents.....	\$ 6,496,848	\$ 14,852,919
Balance in State Appropriation .....	15,041	836,250
Capital and Right-of-Use Assets, net.....	175,659,951	168,514,388
Other Assets.....	12,884,728	14,644,438
Total Assets.....	195,056,568	198,847,995
Deferred Outflows of Resources - Pension and OPEB.....	1,955,828	1,485,675
Current Liabilities.....	11,201,944	15,606,949
Noncurrent Liabilities.....	9,399,658	8,404,517
Total Liabilities.....	20,601,602	24,011,466
Deferred Inflows For OPEB .....	2,191,778	3,093,744
Net Position.....	\$ 174,219,016	\$ 173,228,460
<b>UNIVERSITY PRESIDENT</b>		
During Audit Period: Ms. Zaldaynaka Scott, Esq.		
Currently: Ms. Zaldaynaka Scott, Esq.		

**FINDINGS, CONCLUSIONS, AND  
RECOMMENDATIONS**

**INADEQUATE CONTROLS OVER FINANCIAL REPORTING**

The University did not exercise adequate internal control over its financial reporting.

During our audit of the University's financial statements, we noted the following:

- The University did not properly account for changes in monthly payment amounts related to subscription services resulting in inaccurate balances in various accounts. Specifically, operating expenses were understated by \$207,392, right of use assets were understated by \$218,240, subscription payable was understated by \$207,075, accumulated amortization was understated by \$1,708, and gain on termination was understated by \$216,849.
- The University did not properly implement Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Specifically, the inaccurate calculation and recording of accrued compensated absences resulted in an overstatement of both the accrued liability and related operating expenses by \$3,488,089.

**Did not properly account for changes in monthly payment amounts related to subscription services**

**Inaccurately calculated and recorded accrued compensated absences**

**University corrected the misstatements**

Proposed adjustments to correct these misstatements were recorded by the University. (Finding 2, pages 67-68)

We recommended the University strengthen its controls over financial reporting to allow for the accurate preparation of its financial statements in accordance with U.S. generally accepted accounting principles (GAAP).

**University officials agreed with our recommendation**

University officials agreed with the recommendation and stated the University will ensure the proper implementation of GASB statements on an ongoing basis.

**INADEQUATE CONTROLS TO ENSURE COMPLIANCE WITH THE ILLINOIS PENSION CODE**

The University did not have adequate internal controls to ensure compliance with the Illinois Pension Code (Code).

During testing, we requested the University provide the populations of retired employees, persons receiving a retirement annuity (Annuitant) from the State Universities Retirement System (SURS) and re-employed by the University, and employees who filed for disability benefits during Fiscal

**Unable to reconcile populations of retired employees, annuitants and disabled employees**

Year 2025. The University provided the populations; however, these populations could not be reconciled to the University's internal records and SURS.

Due to this condition, we were unable to conclude the University's population records were sufficiently precise and detailed under the Professional Standards promulgated by the American Institute of Certified Public Accountants (AU-C § 500.08 and AT-C § 205.36) to test the University's compliance with the Code.

**Incorrectly reported unused sick leave to SURS**

Even given the population limitations noted above, we performed the testing and noted one of seven (14%) retired employees' unused sick leave days totaling 129 days were incorrectly reported to SURS. (Finding 4, pages 72-73) **This finding has been reported since 2023.**

We recommended the University implement controls to ensure the completeness and accuracy of populations of retirees, re-employed annuitants, and employees who filed for disability benefits. Further, we recommended the University accurately report unused sick leave to SURS in accordance with the Code.

**University officials agreed with our recommendation**

University officials agreed with the recommendation and stated the University will implement controls to maintain accurate records of retirees, re-employed annuitants, employees who file for disability benefits, and also implement controls for accurate reporting of unused sick leave to SURS.

**OTHER FINDINGS**

The remaining findings pertain to inadequate internal controls over census data and weaknesses over computer security. We will review the University's progress towards the implementation of our recommendations in our next financial audit.

**AUDITOR'S OPINIONS**

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

The financial audit was conducted by Roth & Company, LLP.

**SIGNED ORIGINAL ON FILE**

---

COURTNEY DZIERWA  
Division Director

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

**SIGNED ORIGINAL ON FILE**

---

FRANK J. MAUTINO  
Auditor General

FJM:vrh