




# **Teachers' Retirement System of the State of Illinois**

## **State Compliance Examination**

For the Two Years Ended June 30, 2025

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



**Teachers' Retirement System  
of the State of Illinois  
State Compliance Examination  
Contents  
For the Two Years Ended June 30, 2025**

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**Teachers' Retirement System  
of the State of Illinois  
State Compliance Examination  
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***System Officials***

Executive Director	Stan Rupnik, CFA
Chief Investment Officer	Stan Rupnik, CFA
Chief Financial Officer	Deron Bertolo
General Counsel	Emily Peterson
Director of Internal Audit (7/1/25-Present)	Teri Taylor, CPA, CIA
Director of Internal Audit and Risk (7/1/24-6/30/25)	Stacy Smith, CPA, CIDA

***Governing Board Members***

President	Mr. Matthew Hunt
Vice-President	Mr. Andrew Hirshman
Board of Trustees Member	Dr. Tony Sanders
Board of Trustees Member	Ms. Beth Anderson
Board of Trustees Member	Mr. Kevin Blackburn
Board of Trustees Member	Ms. Heather Becker
Board of Trustees Member	Ms. Marsha Byas
Board of Trustees Member	Mr. Sean Casey
Board of Trustees Member	Mr. Michael Goetz
Board of Trustees Member	Ms. Maria Jazo-Harris
Board of Trustees Member	Ms. Rainy Kaplan
Board of Trustees Member	Ms. Maureen Mena
Board of Trustees Member	Mr. Doug Strand
Board of Trustees Member	Vacant

***Office Locations***

Springfield Office  
2815 West Washington Street  
Springfield, Illinois 62794

Lisle Office  
4200 Commerce Court, Suite 100  
Lisle, Illinois 60532-3611

Chicago Office  
333 West Wacker Drive, Suite 2610  
Chicago, Illinois 60606



**TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS**

2815 West Washington Street | P.O. Box 19253 | Springfield, Illinois 62794-9253

R. Stanley Rupnik, Interim Executive Director

877-927-5877 (877-9-ASK-TRS) | <http://www.trsil.org>

February 17, 2026

Forvis Mazars, LLP  
Certified Public Accountants  
225 North Water Street, Suite 400  
Decatur, IL 62523

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Teachers' Retirement System of the State of Illinois (Teachers' Retirement System). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Teachers' Retirement System's compliance with the following specified requirements during the two-year period ended June 30, 2025. Based on this evaluation, we assert that during the two years ended June 30, 2025, the Teachers' Retirement System has materially complied with the specified requirements listed below.

- A. The Teachers' Retirement System has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Teachers' Retirement System has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Teachers' Retirement System has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Teachers' Retirement System are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Teachers' Retirement System on behalf of the State or held in trust by the Teachers' Retirement System have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours truly,

Teachers' Retirement System of the State of Illinois

**SIGNED ORIGINAL ON FILE**

Stan Rupnik, Executive Director

**SIGNED ORIGINAL ON FILE**

Deron Bertolo, Chief Financial Officer

**SIGNED ORIGINAL ON FILE**

Emily Peterson, General Counsel

# ***State Compliance Report***

**Teachers' Retirement System  
of the State of Illinois  
State Compliance Examination  
For the Two Years Ended June 30, 2025**

**State Compliance Report**

**Summary**

The State 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 for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide.)*

**Accountant's Report**

The Independent Accountant's Report on State Compliance and on Internal Control Over Compliance does not contain scope limitations or disclaimers or other significant non-standard language and contains an unmodified opinion on compliance for the two years ended June 30, 2025.

**Summary of Findings**

<b>Number of</b>	<b>Current Report</b>	<b>Prior Report</b>
Findings	0	3
Repeated findings	0	2
Prior recommendations implemented or not repeated	3	0

**Schedule of Findings**

<b>Item No.</b>	<b>Page</b>	<b>Last/First Reported</b>	<b>Description</b>	<b>Finding Type</b>
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**Current Findings**

**Prior Findings Not Repeated**

A	6	2023/2016	Noncompliance with Certain Disclosures Required by the Illinois Pension Code	
B	6	2023/2021	Weaknesses in Cybersecurity Programs and Practices	
C	6	2023/2023	Inadequate Controls Over Service Providers	

**Exit Conference**

The System waived an exit conference in a correspondence from Deron Bertolo, Chief Financial Officer, on February 9, 2026.

## Independent Accountant's Report on State Compliance and on Internal Control over Compliance

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

and

The Board of Trustees  
Teachers' Retirement System of the State of Illinois

### **Report on State Compliance**

As Special Assistant Auditors for the Auditor General, we have examined compliance by the Teachers' Retirement System of the State of Illinois (System) 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 Illinois Auditor General, during the two years ended June 30, 2025. Management of the System is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the System's compliance with the specified requirements based on our examination.

The specified requirements are:

1. The System has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
2. The System has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
3. The System has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
4. State revenues and receipts collected by the System are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
5. Money or negotiable securities or similar assets handled by the System on behalf of the State or held in trust by the System have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

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 System complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the System 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 System's compliance with the specified requirements.

In our opinion, the System complied, in all material respects, with the specified requirements during the two years ended June 30, 2025.

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 System is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination of internal control, we considered the System's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the System's compliance with the specified requirements and to test and report on the System's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we do not express an opinion on the effectiveness of the System'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 a 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. Given these limitations, during our examination we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

There were no immaterial findings that have been excluded from this report.

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**

Decatur, Illinois  
February 17, 2026

**Teachers' Retirement System  
of the State of Illinois  
State Compliance Examination  
Schedule of Findings – Prior Findings Not Repeated  
For the Two Years Ended June 30, 2025**

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**A. Finding – Noncompliance with Certain Disclosures Required by the Illinois Pension Code**

During the prior engagement, the Teachers' Retirement System of the State of Illinois (System) did not always obtain fully completed disclosures from investment managers as required by the Illinois Pension Code.

During the current engagement, there were no instances of noncompliance noted during testing. (Finding Code No. 2023-001, 2021-001, 2020-001, 2019-001, 2018-001, 2017-001, 2016-001)

**B. Finding – Weakness in Cybersecurity Programs and Practices**

During the prior engagement, the System had weak internal controls related to cybersecurity programs, practices and control of confidential information.

During the current engagement, the System expanded risk assessments to more fully incorporate the data classification methodology and documented the corresponding controls. (Finding Code No. 2023-002, 2021-002)

**C. Finding – Inadequate Controls Over Service Providers**

During the prior engagement, the System had not implemented adequate controls over its service providers.

During the current engagement, the System implemented a structured process for reviewing service providers' System and Organization Control (SOC) reports. (Finding Code No. 2023-003)