



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

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES
COMMUNITY COLLEGE HEALTH INSURANCE SECURITY FUND

Financial Audit
For the Year Ended: June 30, 2012

Release Date: April 25, 2013

Summary of Findings:

Total this audit:	0
Total last audit:	1
Repeated from last audit:	0

INTRODUCTION

This report covers our financial audit of the Community College Health Insurance Security Fund for the year ended June 30, 2012. At June 30, 2012 the Net Assets Held in Trust for Other Postemployment Benefits reflected a deficit of \$37,986,000. Further, the Schedule of Funding Progress reflects an Unfunded Actuarial Accrued Liability of \$2,072,790,000.

There were no material findings disclosed during our examination.

Per the Governor's Executive Order 12-01, the Department's respective powers, duties, rights and responsibilities related to the Community College Health Insurance program were transferred to the Department of Central Management Services as of July 1, 2012.

AUDITORS' OPINION

Our auditors state the financial statements of the Community College Health Insurance Security Fund as of June 30, 2012, are fairly presented in all material respects.

WILLIAM G. HOLLAND
- Auditor General

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AUDITORS ASSIGNED: This examination was performed by the Office of the Auditor General's staff.

{Expenditures and Activity Measures are summarized on the reverse page.}

**DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES
COMMUNITY COLLEGE HEALTH INSURANCE SECURITY FUND
FINANCIAL AUDIT
For the Year Ended June 30, 2012**

STATEMENT OF CHANGES IN PLAN NET ASSETS (expressed in thousands)	Fiscal Year 2012	Fiscal Year 2011
Additions		
Contributions		
Employer.....	\$ 4,269	\$ 4,090
State.....	4,396	5,237
Plan Members		
Actives.....	4,269	4,090
Retirees.....	14,953	14,109
Federal Government Medicare Part D.....	2,424	2,219
Total Contributions.....	<u>30,311</u>	<u>29,745</u>
Interest Income.....	10	9
Total Additions.....	<u>30,321</u>	<u>29,754</u>
Deductions		
Benefit Payments and Refunds.....	45,861	41,169
General and Administrative.....	2,789	1,554
Total Deductions.....	<u>48,650</u>	<u>42,723</u>
Net Additions (Deductions).....	(18,329)	(12,969)
Net Assets Held in Trust for Other Postemployment Benefits		
Beginning of Year.....	(19,657)	(6,688)
End of Year.....	\$ (37,986)	\$ (19,657)

SCHEDULE OF FUNDING PROGRESS (expressed in thousands)	June 30, 2011	June 30, 2009	June 30, 2007
Actuarial Value of Assets.....	(19,657)	1,446	9,562
Actuarial Accrued Liability - Projected Unit.....	2,053,133	1,894,272	1,846,969
Unfunded Actuarial Accrued Liability.....	2,072,790	1,892,826	1,837,407
Funded Ratio.....	-0.96%	0.08%	0.52%

SUPPLEMENTARY INFORMATION	Fiscal Year 2012	Fiscal Year 2011
Number of retirees and beneficiaries receiving benefits.....	6,539	6,083
Number of waived retirees who may elect healthcare coverage in the future.....	1,315	1,354
Number of terminated plan members entitled to but not yet receiving benefits..	4,466	4,433
Number of active plan members.....	22,203	22,603
Total.....	<u>34,523</u>	<u>34,473</u>
Number of participating employers.....	39	39

AGENCY DIRECTOR
During Examination Period: Ms. Julie Hamos
Currently: Ms. Julie Hamos