



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

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
COMMUNITY COLLEGE HEALTH INSURANCE SECURITY FUND

Financial Audit
For the Year Ended June 30, 2014

Release Date: February 19, 2015

FINDINGS THIS AUDIT:	0
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FINDINGS LAST AUDIT:	1
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INTRODUCTION

This report covers our financial audit of the Community College Health Insurance Security Fund for the year ended June 30, 2014. At June 30, 2014 the Net Position Held in Trust for Other Postemployment Benefits reflected a deficit of \$18,613,000. Further, the Schedule of Funding Progress reflects an Unfunded Actuarial Accrued Liability of \$2,395,434,000.

There were no material findings of noncompliance disclosed during our examination.

AUDITORS' OPINION

Our auditors state the financial statements of the Community College Health Insurance Security Fund as of June 30, 2014, are fairly presented in all material respects.

A handwritten signature in blue ink, appearing to read "William G. Holland", written over a horizontal line.

WILLIAM G. HOLLAND
Auditor General

WGH:skm

SPECIAL ASSISTANT AUDITORS

Our Special Assistant Auditors for this audit were Sikich LLP.

{Financial data is summarized on next page.}

**DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
COMMUNITY COLLEGE HEALTH INSURANCE SECURITY FUND
FINANCIAL AUDIT
For the Year Ended June 30, 2014**

STATEMENT OF CHANGES IN PLAN NET POSITION (expressed in thousands)	Fiscal Year 2014	Fiscal Year 2013
Additions		
Contributions		
Employer.....	\$ 4,396	\$ 4,148
State.....	4,399 *	40,176
Plan Member		
Actives.....	4,396	4,148
Retirees.....	13,959	15,833
Federal government Medicare Part D.....	1,611	2,322
Total contributions.....	<u>28,761</u>	<u>66,627</u>
Interest income.....	15	26
Total additions.....	<u>28,776</u>	<u>66,653</u>
Deductions		
Benefit payments and refunds.....	30,932	36,258
General and administrative.....	3,219	5,647
Total deductions.....	<u>34,151</u>	<u>41,905</u>
Net additions (deductions).....	(5,375)	24,748
Net position held in trust for other postemployment benefits		
Beginning of year.....	(13,238)	(37,986)
End of Year.....	<u>\$ (18,613)</u>	<u>\$ (13,238)</u>

* 2014 State Contributions decreased due to a one-time \$36 million contribution in 2013

SCHEDULE OF FUNDING PROGRESS (expressed in thousands)	June 30, 2013	June 30, 2011	June 30, 2009
Actuarial Value of Assets.....	\$ (13,238)	\$ (19,657)	\$ 1,446
Actuarial Accrued Liability - Projected Unit.....	\$ 2,382,196	\$ 2,053,133	\$ 1,894,272
Unfunded Actuarial Accrued Liability.....	\$ 2,395,434	\$ 2,072,790	\$ 1,892,826
Funded Ratio.....	-0.56%	-0.96%	0.08%

SUPPLEMENTARY INFORMATION	Fiscal Year 2014	Fiscal Year 2013
Number of retirees and beneficiaries receiving benefits.....	6,473	6,555
Number of waived retirees who may elect healthcare coverage in the future.....	1,487	1,499
Number of terminated plan members entitled to but not yet receiving benefits.....	4,351	4,240
Number of active plan members.....	21,807	22,425
Total.....	<u>34,118</u>	<u>34,719</u>
Number of participating employers.....	39	39

AGENCY DIRECTOR
During Examination Period: Mr. Malcolm Weems (7/1/11 through 10/4/13)
Ms. Simone McNeil - Acting (10/5/13 through 1/12/15)
Currently: Mr. Tom Tyrrell- Acting