



**STATE OF ILLINOIS  
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES  
COMMUNITY COLLEGE HEALTH INSURANCE SECURITY FUND**

---

**REPORT ON THE ALLOCATION OF  
OTHER POST EMPLOYMENT BENEFIT AMOUNTS**

**For the Year Ended June 30, 2019**

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



**SIKICH.COM**

STATE OF ILLINOIS  
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES  
COMMUNITY COLLEGE HEALTH INSURANCE SECURITY FUND  
REPORT ON THE ALLOCATION OF  
OTHER POST EMPLOYMENT BENEFIT AMOUNTS  
For the Year Ended June 30, 2019

**TABLE OF CONTENTS**

Agency Officials .....	1
Summary.....	2
Independent Auditor’s Report .....	3-5
Schedule of Employer Allocations .....	6
Schedule of Other Post Employment Benefit Amounts by Employer.....	7-10
Notes to the Schedules of Employer Allocations and Other Post Employment Benefit Amounts by Employer.....	11-15
Schedule of Findings.....	16
Prior Year Findings Not Repeated.....	17

STATE OF ILLINOIS  
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES  
For the Year Ended June 30, 2019

**AGENCY OFFICIALS**

Director	Janel Forde (2/18/20 – present) Janel Forde, Acting (1/21/19 – 2/17/20) Sarah Kerley, Acting (1/5/19 – 1/20/19) Tim McDevitt, Acting (through 1/4/19)
Assistant Directors	Michael Merchant, Acting (7/15/19 – present) Vacant (3/23/19 – 7/14/19) Ben Jones, Acting (through 3/22/19) Sarah Kerley, Acting (through 1/4/19)
Chief of Staff	Anthony Pascente (4/10/19 – present) Vacant (through 4/9/19)
Chief Administrative Officer	Mark Mahoney (4/15/19 – present) Vacant (through 4/14/19)
Chief Operating Officer	Ayese gul Kalaycioglu (4/18/19 – present) Vacant (2/1/19 – 4/17/19) Ngozi Okorafor (8/1/18 – 1/31/19) Vacant (through 7/31/18)
Chief Fiscal Officer	Karen Pape, Acting (4/16/19 – present) Mark Lewis (through 4/15/19)
General Counsel	Terrence Glavin (7/22/19 – present) Vacant (1/1/19 – 7/21/19) Kathleen Abbott, Acting (7/2/18 – 12/31/18) Vacant (through 7/1/18)
Chief Internal Auditor	Jack Rakers

Agency main offices are located at:

715 Stratton Office Building  
401 South Spring Street  
Springfield, IL 62706

STATE OF ILLINOIS  
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES  
COMMUNITY COLLEGE HEALTH INSURANCE SECURITY FUND  
REPORT ON THE ALLOCATION OF  
OTHER POST EMPLOYMENT BENEFIT AMOUNTS  
For the Year Ended June 30, 2019

**SUMMARY**

The audit of the accompanying Schedules of Employer Allocations and the Schedule of Other Post Employment Benefit Amounts by Employer of the Community College Health Insurance Security Fund (Schedules) of the State of Illinois, Department of Central Management Services, was performed by Sikich LLP.

Based on their audit, the auditors expressed an unmodified opinion on the Community College Health Insurance Security Fund's Schedules.

**SUMMARY OF FINDINGS**

None.

3201 W. White Oaks Dr., Suite 102  
Springfield, IL 62704  
217.793.3363

**SIKICH.COM**

## INDEPENDENT AUDITOR'S REPORT

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

### **Report on the Schedules**

As Special Assistant Auditors for the Auditor General, we have audited the accompanying Schedule of Employer Allocations of the State of Illinois, Department of Central Management Services' Community College Health Insurance Security Fund, as of and for the year ended June 30, 2019 and the related Notes to the Schedules. We have also audited the total for all employers of the columns titled beginning total Other Post Employment Benefit (OPEB) liability, ending total OPEB liability, total deferred outflows of resources, total deferred inflows of resources and total OPEB expense (specified column totals) included in the accompanying Schedule of OPEB Amounts by Employer (Schedules) of the State of Illinois, Department of Central Management Services as of and for the year ended June 30, 2019, and the related Notes to the Schedules.

### **Management's Responsibility for the Schedules**

Management is responsible for the preparation and fair presentation of these Schedules in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedules that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Schedule of Employer Allocations and the specified column totals included in the Schedule of OPEB Amounts by Employer based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule of Employer Allocations and specified column totals included in the Schedule of OPEB Amounts by Employer are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule of Employer Allocations and specified column totals included in the Schedule of OPEB Amounts by Employer. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedule of Employer Allocations and specified column totals included in the Schedule of OPEB Amounts by Employer, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Schedule of Employer Allocations and specified column totals included in the Schedule of OPEB Amounts by Employer in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Schedule of Employer Allocations and specified column totals included in the Schedule of OPEB Amounts by Employer.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the Schedules referred to above present fairly, in all material respects, the employer allocations as of and for the year ended June 30, 2019 beginning total OPEB liability, ending OPEB liability, total deferred outflows of resources, total deferred inflows of resources, and total OPEB expense for the total of all participating community colleges in the Community College Health Insurance Security Fund as of and for the year ended June 30, 2019, in accordance with accounting principles generally accepted in the United States of America.

### **Report on the Audited Financial Statements**

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the State of Illinois, Department of Central Management Services' Community College Health Insurance Security Fund for the year ended June 30, 2019 and our report thereon, dated December 16, 2019, expressed an unmodified opinion on those financial statements.

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the Schedule of Employer Allocations and the total for all employers of the columns titled beginning total OPEB liability, ending total OPEB liability, total deferred outflows of resources, total deferred inflows of resources, and total OPEB expense (specified column totals) included in the accompanying Schedule of OPEB Amounts by Employer (Schedules), as of and for the year ended June 30, 2018, and our report, dated July 1, 2019, expressed an unmodified opinion on those Schedules.

## **Restriction on Use**

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, the Comptroller, Department management, Community Colleges and their auditors and is not intended to be, and should not be, used by anyone other than these specified parties.

**SIGNED ORIGINAL ON FILE**

Springfield, Illinois  
June 1, 2020

STATE OF ILLINOIS  
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES  
COMMUNITY COLLEGE HEALTH INSURANCE SECURITY FUND  
SCHEDULE OF EMPLOYER ALLOCATIONS

<b>Employer Name</b>	<b>As of June 30, 2019</b>		<b>As of June 30, 2018</b>	
	<b>Fiscal Year 2019 Contributions</b>	<b>Proportionate Share</b>	<b>Fiscal year 2018 Contributions</b>	<b>Proportionate Share</b>
Black Hawk College	\$ 88,306	0.983744%	\$ 86,236	0.987503%
Carl Sandburg College	41,163	0.458560%	40,968	0.469134%
College Of Dupage	411,316	4.582133%	405,149	4.639441%
College Of Lake County	287,661	3.204598%	267,410	3.062167%
Danville Area Community College	56,888	0.633738%	53,566	0.613390%
Elgin Community College	194,765	2.169716%	192,144	2.200284%
Heartland Community College	87,095	0.970255%	83,229	0.953073%
Highland Community College	43,402	0.483502%	46,664	0.534359%
Il Community College Trustees Assoc	2,045	0.022783%	2,006	0.022974%
Il Eastern Community College	75,364	0.839573%	73,097	0.837049%
Illinois Central College	159,863	1.780906%	155,718	1.783153%
Illinois Valley Community College	57,669	0.642442%	54,979	0.629575%
John A Logan College	86,591	0.964645%	85,396	0.977891%
John Wood Community College	40,826	0.454812%	40,587	0.464772%
Joliet Junior College	250,354	2.788994%	243,635	2.789909%
Kankakee Community College	69,064	0.769388%	68,365	0.782865%
Kaskaskia College	64,111	0.714210%	60,878	0.697124%
Kishwaukee College	64,155	0.714696%	63,045	0.721939%
Lake Land College	120,991	1.347859%	106,230	1.216456%
Lewis And Clark Community College	108,451	1.208168%	106,126	1.215274%
Lincoln Land Community College	137,292	1.529459%	139,407	1.596376%
Mchenry College	114,548	1.276091%	113,502	1.299732%
Moraine Valley Community College	231,401	2.577847%	223,133	2.555138%
Morton College	70,388	0.784135%	65,415	0.749076%
Oakton Community College	201,489	2.244626%	194,815	2.230867%
Parkland College	164,448	1.831980%	159,254	1.823644%
Prairie State College	86,292	0.961307%	83,134	0.951982%
Rend Lake College	46,753	0.520842%	46,332	0.530561%
Richland Community College	50,983	0.567963%	47,851	0.547955%
Rock Valley College	117,070	1.304179%	115,403	1.321498%
Sauk Valley College	38,044	0.423818%	36,854	0.422026%
Shawnee College	31,864	0.354974%	30,544	0.349766%
South Suburban College	101,184	1.127209%	96,783	1.108276%
Southeastern Illinois College	26,204	0.291918%	25,504	0.292056%
Southwestern Illinois College	146,107	1.627655%	147,172	1.685298%
Spoon River College	31,337	0.349097%	31,272	0.358104%
Triton College	135,639	1.511043%	136,065	1.558112%
Waubonsee Community College	156,169	1.739747%	154,058	1.764152%
Wm. Rainey Harper College	290,963	3.241386%	284,429	3.257050%
<b>Subtotal Community Colleges</b>	<b>\$ 4,488,255</b>	<b>50.000000%</b>	<b>\$ 4,366,356</b>	<b>50.000000%</b>
Total State Appropriation	4,488,255	50.000000%	4,366,356	50.000000%
<b>Grand Total*</b>	<b>\$ 8,976,511</b>	<b>100.000000%</b>	<b>\$ 8,732,711</b>	<b>100.000000%</b>

\*The sum of the values by employer may differ from the plan totals due to rounding.

STATE OF ILLINOIS  
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES  
COMMUNITY COLLEGE HEALTH INSURANCE SECURITY FUND  
SCHEDULE OF OTHER POST EMPLOYMENT BENEFIT AMOUNTS BY EMPLOYER  
As of and for the Year Ended June 30, 2019

<b>Employer</b>	<b>June 30, 2018 OPEB Liability</b>	<b>June 30, 2019 OPEB Liability</b>	<b>Prior Year Proportionate Share</b>	<b>Current Year Proportionate Share</b>
Black Hawk College	\$ 18,616,921	\$ 18,578,409	0.987503%	0.983744%
Carl Sandburg College	8,844,364	8,660,087	0.469134%	0.458560%
College Of Dupage	87,465,137	86,535,442	4.639441%	4.582133%
College Of Lake County	57,729,548	60,520,140	3.062167%	3.204598%
Danville Area Community College	11,563,940	11,968,403	0.613390%	0.633738%
Elgin Community College	41,480,897	40,975,965	2.200284%	2.169716%
Heartland Community College	17,967,825	18,323,664	0.953073%	0.970255%
Highland Community College	10,074,013	9,131,131	0.534359%	0.483502%
Il Community College Trustees Assoc	433,115	430,267	0.022974%	0.022783%
Il Eastern Community College	15,780,483	15,855,669	0.837049%	0.839573%
Illinois Central College	33,616,923	33,633,135	1.783153%	1.780906%
Illinois Valley Community College	11,869,083	12,132,780	0.629575%	0.642442%
John A Logan College	18,435,712	18,217,715	0.977891%	0.964645%
John Wood Community College	8,762,125	8,589,315	0.464772%	0.454812%
Joliet Junior College	52,596,813	52,671,277	2.789909%	2.788994%
Kankakee Community College	14,758,978	14,530,209	0.782865%	0.769388%
Kaskaskia College	13,142,545	13,488,143	0.697124%	0.714210%
Kishwaukee College	13,610,359	13,497,316	0.721939%	0.714696%
Lake Land College	22,933,249	25,454,857	1.216456%	1.347859%
Lewis And Clark Community College	22,910,966	22,816,742	1.215274%	1.208168%
Lincoln Land Community College	30,095,699	28,884,460	1.596376%	1.529459%
Mchenry College	24,503,226	24,099,502	1.299732%	1.276091%
Moraine Valley Community College	48,170,790	48,683,685	2.555138%	2.577847%
Morton College	14,121,970	14,808,702	0.749076%	0.784135%
Oakton Community College	42,057,465	42,390,676	2.230867%	2.244626%
Parkland College	34,380,273	34,597,679	1.823644%	1.831980%
Prairie State College	17,947,255	18,154,670	0.951982%	0.961307%
Rend Lake College	10,002,404	9,836,310	0.530561%	0.520842%
Richland Community College	10,330,327	10,726,213	0.547955%	0.567963%
Rock Valley College	24,913,559	24,629,955	1.321498%	1.304179%
Sauk Valley College	7,956,259	8,003,973	0.422026%	0.423818%
Shawnee College	6,593,971	6,703,834	0.349766%	0.354974%
South Suburban College	20,893,801	21,287,792	1.108276%	1.127209%
Southeastern Illinois College	5,505,996	5,512,985	0.292056%	0.291918%
Southwestern Illinois College	31,772,113	30,738,920	1.685298%	1.627655%
Spoon River College	6,751,154	6,592,840	0.358104%	0.349097%
Triton College	29,374,329	28,536,661	1.558112%	1.511043%
Waubonsee Community College	33,258,707	32,855,835	1.764152%	1.739747%
Wm. Rainey Harper College	61,403,588	61,214,886	3.257050%	3.241386%
<b>Subtotal of Community Colleges</b>	<b>\$ 942,625,882</b>	<b>\$ 944,270,247</b>	<b>50.000000%</b>	<b>50.000000%</b>
Total State Appropriation	942,625,882	944,270,247	50.000000%	50.000000%
<b>Grand Total*</b>	<b>\$ 1,885,251,763</b>	<b>\$ 1,888,540,494</b>	<b>100.000000%</b>	<b>100.000000%</b>

\*The sum of the values by employer may differ from the plan totals due to rounding.

STATE OF ILLINOIS  
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES  
COMMUNITY COLLEGE HEALTH INSURANCE SECURITY FUND  
SCHEDULE OF OTHER POST EMPLOYMENT BENEFIT AMOUNTS BY EMPLOYER  
As of and for the Year Ended June 30, 2019

Employer	Deferred Outflows of Resources				
	Differences between Expected and Actual Experience	Changes of Assumptions	Net Difference between Projected and Actual Investment Earnings on OPEB Plan Investments	Changes in Proportion and Differences between Employer Contributions and Share of Contributions	Total Deferred Outflows of Resources
Black Hawk College	\$ 217,736	\$ -	\$ -	\$ 860	\$ 218,597
Carl Sandburg College	101,495	-	-	27,809	129,304
College Of Dupage	1,014,184	-	-	3,381,823	4,396,007
College Of Lake County	709,288	-	-	3,911,428	4,620,715
Danville Area Community College	140,268	-	-	610,478	750,746
Elgin Community College	480,233	-	-	305,451	785,684
Heartland Community College	214,751	-	-	572,439	787,190
Highland Community College	107,016	-	-	497,249	604,265
Il Community College Trustees Assoc	5,043	-	-	16,713	21,756
Il Eastern Community College	185,826	-	-	70,428	256,254
Illinois Central College	394,176	-	-	946,618	1,340,794
Illinois Valley Community College	142,195	-	-	322,795	464,990
John A Logan College	213,509	-	-	85,319	298,828
John Wood Community College	100,666	-	-	350,337	451,002
Joliet Junior College	617,300	-	-	2,683,077	3,300,377
Kankakee Community College	170,292	-	-	3,085	173,377
Kaskaskia College	158,079	-	-	443,021	601,100
Kishwaukee College	158,187	-	-	150,396	308,582
Lake Land College	298,328	-	-	2,583,556	2,881,883
Lewis And Clark Community College	267,409	-	-	346,653	614,062
Lincoln Land Community College	338,522	-	-	769,747	1,108,269
Mchenry College	282,443	-	-	213,464	495,907
Moraine Valley Community College	570,566	-	-	2,847,050	3,417,616
Morton College	173,556	-	-	1,106,436	1,279,992
Oakton Community College	496,813	-	-	1,205,041	1,701,854
Parkland College	405,480	-	-	273,855	679,335
Prairie State College	212,770	-	-	1,387,049	1,599,819
Rend Lake College	115,280	-	-	2,225	117,505
Richland Community College	125,710	-	-	351,302	477,012
Rock Valley College	288,660	-	-	3,964	292,624
Sauk Valley College	93,805	-	-	318,837	412,642
Shawnee College	78,568	-	-	91,446	170,014
South Suburban College	249,490	-	-	366,682	616,172
Southeastern Illinois College	64,611	-	-	32	64,643
Southwestern Illinois College	360,256	-	-	460,872	821,128
Spoon River College	77,267	-	-	577,604	654,871
Triton College	334,446	-	-	364,144	698,590
Waubonsee Community College	385,066	-	-	2,250,158	2,635,224
Wm. Rainey Harper College	717,430	-	-	1,580,232	2,297,662
<b>Subtotal of Community Colleges</b>	<b>\$ 11,066,721</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 31,479,671</b>	<b>\$ 42,546,392</b>
Total State Appropriation	11,066,721	-	-	4,366,852	15,433,572
<b>Grand Total*</b>	<b>\$ 22,133,442</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 35,846,523</b>	<b>\$ 57,979,964</b>

\*The sum of the values by employer may differ from the plan totals due to rounding.

STATE OF ILLINOIS  
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES  
COMMUNITY COLLEGE HEALTH INSURANCE SECURITY FUND  
SCHEDULE OF OTHER POST EMPLOYMENT BENEFIT AMOUNTS BY EMPLOYER  
As of and for the Year Ended June 30, 2019

Employer	Deferred Inflows of Resources				
	Differences between Expected and Actual Experience	Changes of Assumptions	Net Difference between Projected and Actual Investment Earnings on OPEB Plan Investments	Changes in Proportion and Differences between Employer Contributions and Share of Contributions	Total Deferred Inflows of Resources
Black Hawk College	\$ 392,892	\$ 2,588,405	\$ 820	\$ 1,145,498	\$ 4,127,616
Carl Sandburg College	183,141	1,206,552	382	289,096	1,679,172
College Of Dupage	1,830,030	12,056,403	3,822	1,198,406	15,088,661
College Of Lake County	1,279,865	8,431,865	2,673	884,374	10,598,777
Danville Area Community College	253,105	1,667,477	529	31,224	1,952,334
Elgin Community College	866,550	5,708,906	1,810	1,471,620	8,048,885
Heartland Community College	387,504	2,552,913	809	44,614	2,985,841
Highland Community College	193,103	1,272,179	403	913,249	2,378,935
Il Community College Trustees Assoc	9,099	59,946	19	4,306	73,371
Il Eastern Community College	335,312	2,209,064	700	168,537	2,713,613
Illinois Central College	711,265	4,685,879	1,485	694,507	6,093,137
Illinois Valley Community College	256,581	1,690,379	536	363,783	2,311,278
John A Logan College	385,264	2,538,152	805	1,519,876	4,444,096
John Wood Community College	181,645	1,196,692	379	193,954	1,572,669
Joliet Junior College	1,113,879	7,338,336	2,326	1,410,164	9,864,705
Kankakee Community College	307,281	2,024,397	642	382,864	2,715,183
Kaskaskia College	285,244	1,879,213	596	1,169,851	3,334,903
Kishwaukee College	285,438	1,880,491	596	527,352	2,693,876
Lake Land College	538,313	3,546,455	1,124	293,720	4,379,611
Lewis And Clark Community College	482,523	3,178,904	1,008	175,434	3,837,868
Lincoln Land Community College	610,841	4,024,278	1,276	1,325,050	5,961,445
Mchenry College	509,650	3,357,622	1,064	965,299	4,833,636
Moraine Valley Community College	1,029,551	6,782,772	2,150	113,298	7,927,770
Morton College	313,171	2,063,197	654	40,889	2,417,911
Oakton Community College	896,468	5,906,009	1,872	97,280	6,901,629
Parkland College	731,663	4,820,263	1,528	522,813	6,076,267
Prairie State College	383,931	2,529,369	802	42,446	2,956,547
Rend Lake College	208,016	1,370,427	434	585,200	2,164,078
Richland Community College	226,835	1,494,411	474	900,299	2,622,019
Rock Valley College	520,868	3,431,527	1,088	1,898,338	5,851,820
Sauk Valley College	169,266	1,115,140	353	166,887	1,451,646
Shawnee College	141,771	934,000	296	110,587	1,186,655
South Suburban College	450,189	2,965,885	940	218,897	3,635,912
Southeastern Illinois College	116,587	768,087	243	440,083	1,325,001
Southwestern Illinois College	650,059	4,282,648	1,357	2,546,003	7,480,068
Spoon River College	139,424	918,536	291	172,781	1,231,032
Triton College	603,486	3,975,822	1,260	1,646,735	6,227,303
Waubonsee Community College	694,827	4,577,583	1,451	501,471	5,775,333
Wm. Rainey Harper College	1,294,557	8,528,660	2,703	410,977	10,236,897
<b>Subtotal of Community Colleges</b>	<b>\$ 19,969,195</b>	<b>\$ 131,558,843</b>	<b>\$ 41,700</b>	<b>\$ 25,587,760</b>	<b>\$ 177,157,498</b>
Total State Appropriation	19,969,195	131,558,843	41,700	14,452,779	166,022,518
<b>Grand Total*</b>	<b>\$ 39,938,390</b>	<b>\$ 263,117,687</b>	<b>\$ 83,400</b>	<b>\$ 40,040,539</b>	<b>\$ 343,180,016</b>

\*The sum of the values by employer may differ from the plan totals due to rounding.

STATE OF ILLINOIS  
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES  
COMMUNITY COLLEGE HEALTH INSURANCE SECURITY FUND  
SCHEDULE OF OTHER POST EMPLOYMENT BENEFIT AMOUNTS BY EMPLOYER  
As of and for the Year Ended June 30, 2019

Employer	<b>OPEB Expense</b>		
	<b>Proportionate Share of Plan OPEB Expense</b>	<b>Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions</b>	<b>Total Employer Expense</b>
Black Hawk College	\$ 844,149	\$ (314,135)	\$ 530,014
Carl Sandburg College	393,489	(55,385)	338,104
College Of Dupage	3,931,921	838,868	4,770,789
College Of Lake County	2,749,861	780,751	3,530,612
Danville Area Community College	543,810	137,580	681,389
Elgin Community College	1,861,830	(243,822)	1,618,008
Heartland Community College	832,574	127,584	960,158
Highland Community College	414,892	(59,759)	355,134
Il Community College Trustees Assoc	19,550	4,097	23,647
Il Eastern Community College	720,436	(35,899)	684,537
Illinois Central College	1,528,193	145,211	1,673,403
Illinois Valley Community College	551,279	(10,559)	540,720
John A Logan College	827,760	(451,755)	376,005
John Wood Community College	390,274	60,142	450,416
Joliet Junior College	2,393,231	544,556	2,937,787
Kankakee Community College	660,211	(90,132)	570,079
Kaskaskia College	612,862	(286,628)	326,235
Kishwaukee College	613,279	(118,690)	494,589
Lake Land College	1,156,595	468,026	1,624,621
Lewis And Clark Community College	1,036,727	75,281	1,112,008
Lincoln Land Community College	1,312,427	(27,855)	1,284,571
Mchenry College	1,095,012	(153,310)	941,702
Moraine Valley Community College	2,212,046	762,656	2,974,702
Morton College	672,865	276,437	949,302
Oakton Community College	1,926,110	327,426	2,253,536
Parkland College	1,572,019	(55,173)	1,516,846
Prairie State College	824,896	388,780	1,213,676
Rend Lake College	446,934	(146,384)	300,549
Richland Community College	487,368	(158,233)	329,135
Rock Valley College	1,119,114	(468,100)	651,014
Sauk Valley College	363,677	61,120	424,797
Shawnee College	304,603	(12,374)	292,229
South Suburban College	967,256	11,955	979,211
Southeastern Illinois College	250,494	(129,234)	121,260
Southwestern Illinois College	1,396,688	(444,664)	952,024
Spoon River College	299,560	142,625	442,184
Triton College	1,296,624	(257,973)	1,038,651
Waubonsee Community College	1,492,875	548,898	2,041,773
Wm. Rainey Harper College	2,781,428	393,879	3,175,307
<b>Subtotal of Community Colleges</b>	<b>\$ 42,904,919</b>	<b>\$ 2,575,806</b>	<b>\$ 45,480,726</b>
Total State Appropriation	42,904,919	(3,461,449)	39,443,470
<b>Grand Total*</b>	<b>\$ 85,809,839</b>	<b>\$ (885,643)</b>	<b>\$ 84,924,196</b>

\*The sum of the values by employer may differ from the plan totals due to rounding.

STATE OF ILLINOIS  
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES  
COMMUNITY COLLEGE HEALTH INSURANCE SECURITY FUND  
NOTES TO THE SCHEDULES OF EMPLOYER ALLOCATIONS  
AND OTHER POST EMPLOYMENT BENEFIT AMOUNTS BY EMPLOYER  
For the Year Ended June 30, 2019

The Community College Health Insurance Security Fund (CCHISF) (also known as the College Insurance Program, "CIP") was established under the State Employees Group Insurance Act of 1971, as amended, 5 ILCS 375/6.9 (f), which became effective July 1, 1999. The purpose of the CCHISF is to receive and record all revenues from the administration of health benefit programs under Article 15 of the Illinois Pension Code.

The Community College Health Insurance Security Fund is a cost-sharing, multiple-employer, defined benefit OPEB Trust Fund due to the following criteria:

1. Plan assets are pooled and may be used to pay employee benefits of any employer participating in the plan.
2. OPEB is provided to the employees of more than one employer.
3. Benefits plan members will receive at or after separation from employment are defined by specific benefit terms as noted in 5 ILCS 375/6 and 5 ILCS 375/6.1.

*GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, paragraph 18, states, "special funding situations are circumstances in which a non-employer entity is legally responsible for providing financial support for OPEB of the employees of another entity by making contributions directly to an OPEB plan that is administered through a trust that meets the criteria" of trust fund reporting (*GASB 75*, paragraph 4), and either of the following criteria are met: (1) the amount of contributions or benefit payments for which the non-employer entity legally is responsible is not dependent upon one or more events or circumstances unrelated to the OPEB or (2) the non-employer entity is the only entity with a legal obligation to provide financial support directly to an OPEB plan that is used to provide OPEB to employees of another entity.

The CCHISF has a special funding situation as described in 40 ILCS 15/1.4. The State is required by statute to contribute a defined percentage of participant payroll directly to the OPEB plan, which is administered through a trust.

**A. Defined Benefit Plan**

CCHISF has no component units and is not a component unit of any other entity. However, because CCHISF is not legally separate from the State of Illinois, the financial statements of the CCHISF are included in the financial statements of the State of Illinois as a pension (and other employee benefits) trust fund. This fund is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs.

The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.9) requires the Director of the Department to determine the rates and premiums for annuitants and dependent beneficiaries and establish the cost-sharing parameter, as well as funding. At the option of the board of trustees, the college districts may pay all or part of the balance of the cost of coverage for retirees from their district. Administrative costs are paid by the CCHISF.

## **B. Benefit Provisions**

A summary of post-employment benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the financial statements of the Department of Central Management Services.

## **Summary of Significant Accounting Policies**

### **A. Nature of Schedules**

Employers participating in a cost-sharing OPEB plan, and any non-employer contributing entities that meet the definition of a special funding situation, are required to recognize their proportionate share of the collective OPEB amounts for OPEB benefits provided to members through the CCHISF plan.

GASB Statement No. 75, paragraph 59, states that in determining the employer's proportion of the collective total OPEB liability, "the basis for the employer's proportion should be consistent with the manner in which contributions to the OPEB plan, excluding those associated with separately financed specific liabilities of and individual employer to the OPEB plan, are determined." Additionally, paragraph 109, states "if the effective OPEB plan terms define a specific relationship of the contribution requirements of a nonemployer contributing entity to those of the employer and other contributing entities, the employer's proportion should be established in a manner consistent with those terms, notwithstanding differences between the measurement basis used to determine contributions and the measurement basis used to determine the collective total OPEB liability".

The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.10) requires every active contributor of the State Universities Retirement System (SURS), who is a full-time employee of a community college district or an association of community college boards, to make contributions to the plan at the rate of 0.5% of salary. The same section of statute requires every community college district or association of community college boards that is an employer under the SURS, to contribute to the plan an amount equal to 0.5% of the salary paid to its full-time employees who participate in the plan. The State Pension Funds Continuing Appropriation Act (40 ILCS 15/1.4) requires the State to make an annual appropriation to the fund in an amount certified by the SURS Board of Trustees.

The Schedule of Employer Allocations presents the actual fiscal year 2019 contributions used within the proportionate share calculation for each employer and respective allocation percentage. For the non-employer contributing entity (State of Illinois) the CCHISF utilized the long-range funding target of 50% as the allocation percentage and respective contribution amount. For the purpose of allocating the beginning total OPEB liability, the CCHISF utilized contributions reported during fiscal year 2018.

The Schedule of OPEB Amount by Employer presents the proportionate share of total OPEB liability (beginning and ending), total deferred outflows of resources, total deferred inflows of resources, and total OPEB expense subject to allocation for all CCHISF employers and the State. The OPEB expense includes the amortization of the differences between expected and actual economic and demographic experience, differences between projected and actual investment earnings (net) on Plan investments, and the impact of changes of assumptions about future economic or demographic factors or other inputs.

Due to the nature of the Schedules, the contributions utilized in the allocation calculation were actual contributions received and not rounded. Therefore, the total amounts reported within the Schedules may not agree to the summation of the individual columns.

## **B. Measurement Focus and Basis of Accounting**

The financial transactions are recorded using the economic resources measurement focus and the accrual basis of accounting. Employer and non-employer contributing entity contributions are recognized as revenue when due pursuant to statutory or contractual requirements.

## **C. Use of Estimates in the Preparation of the Schedules**

The preparation of the CCHISF Schedules in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts, and the changes therein, and disclosures. Actual results could differ from those estimates and differences could be material. CCHISF uses an actuary to determine the total OPEB liability for the defined benefit plan and to calculate the actuarially determined contributions of the State and employers. The actuarial valuation date for the CCHISF schedules was June 30, 2018. The measurement date of the OPEB liability was June 30, 2019.

## **D. Basis of Allocation**

In determining the proportionate share of the total OPEB liability and corresponding employer OPEB amounts for a cost-sharing plan, the basis should be consistent with the manner in which contributions to the CIP Plan (Plan), excluding those to separately finance specific liabilities of an individual employer, are determined. The Plan has determined that the actual employer contributions made to the Plan during fiscal year 2019 are appropriate as the basis because they are representative of future contributions. For the non-employer contribution, the plan has determined to use a 50% share as this is the long-range funding target. For the year ended June 30, 2019, the State paid an additional \$5,000,000 contribution through a supplemental appropriation. This extraordinary contribution was not considered when determining the State proportionate share as it is not representative of the long-range funding target.

GASB Statement No. 75 states that special funding situations are defined as circumstances in which a non-employer entity (State of Illinois) is legally responsible for making contributions directly to the CCHISF that is used to provide OPEB to the employees of another entity or entities and the amount of the contributions is not dependent upon one or more events unrelated to OPEB.

The total OPEB liability is the System's total OPEB liability plus the deficit in fiduciary net position. The total OPEB liability was determined by an actuarial valuation as of June 30, 2018 and measured as of June 30, 2019. The CCHISF allocates the total OPEB liabilities to the employers and the State of Illinois, as the non-employer contributing entity, based on the allocation percentages calculated within the Schedule of Employer Allocations.

The actual total employer contributions for fiscal years 2019 and 2018 used as the denominator for the allocation calculation in the Schedule of Employer Allocations can be reconciled to the CCHISF financial statements, as follows:

	2018	2019
Contributions to defined benefit plan		
Employer	\$ 4,463,032	\$ 4,488,255
State	4,366,356	9,487,431
PY In-transit Employer items not recorded in financials	(96,257)	-
Less one-time additional State appropriation		(5,000,000)
Miscellaneous adjustments	(420)	825
Total Contributions – Schedule of Employer Allocations	\$ 8,732,711	\$ 8,976,511

#### **E. OPEB Expense and Amortization of OPEB Expense**

OPEB expense, as well as deferred outflows of resources and deferred inflows of resources related to OPEB, should be recognized for the employers' (and non-employer contributing entity's) proportionate shares of collective OPEB expense and collective deferred outflows of resources and deferred inflows of resources related to OPEB.

Deferred outflows of resources are the consumption of net position by CCHISF that is applicable to future reporting periods. Deferred outflows of resources have a positive effect on net position. Deferred inflows of resources are the acquisition of net position that is applicable to future reporting periods. Deferred inflows of resources have a negative effect on net position. Other than differences between projected and actual investment earnings, deferred inflows and outflows of resources are recognized in OPEB expense beginning in the current period, using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active and inactive), determined as of the beginning of the measurement period.

Net deferred inflows (or outflows) of resources pertaining to differences between projected and actual investment earnings are similarly recognized over a closed five-year period.

The OPEB amounts allocated to employers and to the State of Illinois are based on total contributions.

The components of OPEB expense are:

Service Cost	\$ 100,138,184
Interest on the Total OPEB Liability	59,739,977
Current-Period Benefit Changes	-
Active Member Contributions	(4,488,000)
Projected Earning on Plan Investments	-
OPEB Plan Operating Expenses	4,198,000
Other Changes in Plan Fiduciary Net Position	(171,000)
Recognition of Outflow/(Inflow) due to Liability Experience	(3,213,212)
Recognition of Outflow/(Inflow) due to Assumption Changes	(70,367,910)
Recognition of Outflow/(Inflow) due to Investment Experience	(26,200)
	<b>\$ 85,809,839</b>

At the beginning of the current measurement period, the expected remaining service lives of all active members in the plan was approximately 185,801 years. Additionally, the total plan membership (active, inactive and retired members) was 32,298. As a result, the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the current measurement period is 5.75 years.

**F. Total OPEB Liability**

The total OPEB liability for CCHISF for fiscal year 2019 is set forth in the following table:

<b>Total OPEB Liability Beginning of Year</b>	<b>\$ 1,885,251,763</b>
OPEB Expense	85,809,839
Employer Contributions	(13,975,000)
Change in Liability Experience Outflows/(Inflows) Recognized in Current Liabilities	(41,384,550)
Change in Assumption Changes Experience Outflows/(Inflows) Recognized in Current Liabilities	(27,139,759)
Change in Investment Experience Outflows/(Inflows) Recognized in Current Assets	(21,800)
<b>Total OPEB Liability End of Year<sup>1</sup></b>	<b><u>\$ 1,888,540,494</u></b>

<sup>1</sup>The sum of the value by employer may differ within the schedules from the plan total due to rounding.

**Requests for Information**

CCHISF has no component units and is not a component unit of any other entity. However, because CCHISF is not legally separate from the State of Illinois, the financial statements of the CCHISF are included in the financial statements of the State of Illinois as a pension (and other employee benefit) trust fund. The audit report is available on the office of the Auditor General website at [www.auditor.illinois.gov](http://www.auditor.illinois.gov), which includes the financial statements of the Department of Central Management Services. Questions regarding the financial statements can be addressed to the Department of Central Management Services at 401 South Spring, Springfield, Illinois, 62706. A copy of the actuarial valuation report will be made available by the Commission on Government Forecasting and Accountability on its website at <http://cgfa.ilga.gov/>.

STATE OF ILLINOIS  
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES  
COMMUNITY COLLEGE HEALTH INSURANCE SECURITY FUND  
REPORT ON THE ALLOCATION OF  
OTHER POST EMPLOYMENT BENEFIT AMOUNTS  
For the Year Ended June 30, 2019

**SCHEDULE OF FINDINGS**

**CURRENT FINDINGS**

None.

**PRIOR FINDINGS NOT REPEATED**

- a.       **FINDING**       (Inaccurate calculation of changes in proportion for the deferred outflow of resources, deferred inflow of resources and the Other Post Employment Benefits expense)

During the prior engagement, the Department of Central Management Services (Department) did not accurately calculate the changes in the proportionate share for the College Insurance Program for the deferred outflow of resources, deferred inflow of resources and the Other Post Employment Benefits expense.

During the current engagement, the change in proportionate share was accurately calculated (Finding code 2018-001).