



STATE OF ILLINOIS
OFFICE OF THE
AUDITOR GENERAL

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
STATE EMPLOYEES GROUP INSURANCE PROGRAM

**Compliance Examination – Schedule of Allocation
For the Two Year Ended June 30, 2022**

Release Date: July 13, 2023

FINDINGS THIS AUDIT:	0
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FINDINGS LAST AUDIT:	0
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INTRODUCTION

This digest covers the Compliance Examination of the Toll Highway Specific Liability Percentage Calculation, the Schedule of Employer Allocations by Fund, the Schedule of University Special Funding Situations, the Schedule of Other Post Employment Benefit (OPEB) Amounts by Fund, and the Schedule of Deferred Amounts by Measurement Year of the State Employee Group Insurance Program (SEGIP) as of and for the year ended June 30, 2022, and the related notes to the Schedules.

The Department of Central Management Services (Department), with the assistance of the public retirement systems sponsored by the State, is the administrator of this single-employer defined benefit OPEB plan not administered through a trust. The plan was established to provide health, dental, vision, and life insurance benefits for certain retirees and their dependents. Certain agencies and funds of the State of Illinois present financial statements in accordance with generally accepted accounting principles (GAAP) and those agencies and fund employers must recognize their proportionate share of the collective OPEB amounts for OPEB provided to members through the SEGIP plan in order to present their financial statements in accordance with GAAP. The Governmental Accounting Standards Board (GASB) Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions requires the participating entities that prepare financial statements in accordance with Generally Accepted Accounting Principles (GAAP) to recognize their proportionate share of certain collective OPEB amounts in their financial statements, which includes the net OPEB liability.

Prior to the implementation of GASB Statement 75, the portion of the Plan's liability not covered by assets was not allocated among the agencies and funds for financial reporting purposes. GASB Statement 75 changed previously followed financial reporting requirements and as a result agencies and funds are required to report their portion of the collective OPEB amounts in their GAAP basis financial statements.

Due to the agencies and funds needing to report their proportionate share of the collective OPEB amounts in their financial statements prepared in accordance with GAAP, the Department has prepared the Toll Highway Specific Liability Percentage Calculation, Schedule of Employer Allocations by Fund, the Schedule of University Special Funding Situations, the Schedule of OPEB Amounts by Fund, and the Schedule of Deferred Amounts by Measurement Year which provide the necessary financial information for each entity to report their proportionate share of the collective OPEB amounts in their financial statements. By having these schedules examined it also

provides the entities and the State's auditors an Independent Accountant's Opinion on the allocations and collective OPEB amounts reported in the Schedules.

The SEGIP net OPEB liability at July 1, 2021 was \$34.9 billion. At June 30, 2022, the SEGIP net OPEB liability was \$17.1 billion.

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

ACCOUNTANT'S OPINION

The accountants conducted a compliance examination of specified requirements regarding the Schedule of Employer Allocations by Fund, the Schedule of University Special Funding Situations, the Schedule of Other Post Employment Benefit Amounts by Fund, and the Schedule of Deferred Amounts by Measurement Year of the State Employees Group Insurance Program as of and for the year ended June 30, 2022, and the related notes to the Schedules. The accountants stated the Agency complied, in all material respects, with the criteria set forth in Notes D through M of the Notes to the Schedules in the report.

This compliance examination was conducted by Sikich LLP.

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JANE CLARK
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

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