



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

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

**DEPARTMENT OF CENTRAL MANAGEMENT SERVICES**  
**TEACHER HEALTH INSURANCE SECURITY FUND**

**Financial Audit**  
**For the Year Ended June 30, 2018**

**Release Date: April 25, 2019**

<b>FINDINGS THIS AUDIT:</b>	<b>0</b>
<b>FINDINGS LAST AUDIT:</b>	<b>1</b>

**INTRODUCTION**

This digest covers our financial audit of the Teacher Health Insurance Security Fund for the year ended June 30, 2018. At June 30, 2018 the Net Position reflected a deficit of \$18,487,000. Further, the Schedule of Changes in Net OPEB Liability reflects a Net OPEB Liability of \$26,327,385,258.

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

**AUDITOR'S OPINION**

The auditors stated the financial statements of the Department of Central Management Services, Teacher Health Insurance Security Fund as of and for the year ended June 30, 2018, are fairly stated in all material respects.

This financial audit was conducted by Sikich, LLP.

**SIGNED ORIGINAL ON FILE**

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

FJM:skm

{Financial information is summarized on next page.}

**DEPARTMENT OF CENTRAL MANAGEMENT SERVICES  
TEACHER HEALTH INSURANCE SECURITY FUND  
FINANCIAL AUDIT  
For the Year Ended June 30, 2018**

<b>STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (expressed in thousands)</b>	<b>Fiscal Year 2018</b>	<b>Fiscal Year 2017</b>
<b>Additions</b>		
Contributions		
Employer.....	\$ 88,996	\$ 100,763
State.....	119,568	109,703
Plan Members		
Actives.....	119,906	111,734
Federal government Medicare Part D.....	1,533	2,053
Consolidated Omnibus Budget Reconciliation Act.....	81	46
Total contributions.....	<u>330,084</u>	<u>324,299</u>
Interest income.....	743	357
Total additions.....	<u>330,827</u>	<u>324,656</u>
<b>Deductions</b>		
Benefit payments and refunds.....	275,400	296,480
General and administrative.....	14,226	13,790
Total deductions.....	<u>289,626</u>	<u>310,270</u>
<b>Net additions (deductions).....</b>	<b>41,201</b>	<b>14,386</b>
<b>Unrestricted Net Position</b>		
Beginning of Year.....	(59,688)	(59,415)
<b>End of Year.....</b>	<b>\$ (18,487)</b>	<b>\$ (45,029)</b>

<b>SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS (expressed in thousands) (Unaudited)</b>	<b>June 30, 2018</b>	<b>June 30, 2017</b>
Total OPEB Liability- Beginning.....	\$ 25,904,540	\$ 27,276,388
Net Change in Total OPEB Liability.....	\$ 422,845	\$ (1,371,848)
Total OPEB Liability- Ending.....	\$ 26,327,385	\$ 25,904,540
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability.....	-0.07%	-0.17%

<b>PARTICIPANT INFORMATION</b>	<b>Fiscal Year 2018</b>	<b>Fiscal Year 2017</b>
Inactive plan members currently receiving benefit payments.....	64,899	64,030
Inactive plan members entitled to but nit yet receiving benefit payments.....	38,319	39,649
Active plan members.....	154,796	154,176
Total.....	<u>258,014</u>	<u>257,855</u>
Number of participating employers.....	978	975
Number of nonemployer contributing entities.....	1	1

<b>AGENCY DIRECTOR</b>
During Examination Period: Michael Hoffman, Acting (through 3/2/18), Tim McDevitt, Acting (3/3/18 - 1/4/19)
Currently: Janel Forde, Acting