



**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, 2020

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



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STATE OF ILLINOIS
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
COMMUNITY COLLEGE HEALTH INSURANCE SECURITY FUND
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OTHER POST EMPLOYMENT BENEFIT AMOUNTS
For the Year Ended June 30, 2020

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

STATE OF ILLINOIS
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

For the Year Ended June 30, 2020

AGENCY OFFICIALS

Director (2/18/2020 – Present)	Ms. Janel Forde
Director (Acting) (7/1/2019 – 2/17/2020)	Ms. Janel Forde
Assistant Director (Acting) (7/15/2019 – Present)	Mr. Michael Merchant
Assistant Director (7/1/2019 – 7/14/2019)	Vacant
Chief of Staff	Mr. Anthony Pascente
Chief Administrative Officer	Mr. Mark Mahoney
Chief Operating Officer	Ms. Aysegül Kalaycioglu
Chief Fiscal Officer (1/21/2021-Present)	Ms. Karen Pape
Chief Fiscal Officer (Acting) (7/1/2019-1/20/2021)	Ms. Karen Pape
General Counsel (7/22/2019 – Present)	Mr. Terrence Glavin
General Counsel (7/1/2019 – 7/21/2019)	Vacant
Chief Internal Auditor	Mr. 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, 2020

SUMMARY

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

EXIT CONFERENCE

The Department waived an exit conference in a correspondence from Jack Rakers, Chief Internal Auditor, on June 15, 2021.

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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' (Department) Community College Health Insurance Security Fund (Fund), as of and for the year ended June 30, 2020 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 Department as of and for the year ended June 30, 2020, 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, 2020 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 Fund as of and for the year ended June 30, 2020, 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 Department Fund for the year ended June 30, 2020 and our report thereon, dated May 6, 2021, 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, 2019, and our report, dated June 1, 2020, 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 11, 2021

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

<u>Employer Name</u>	<u>As of June 30, 2020</u>		<u>As of June 30, 2019</u>	
	<u>Fiscal Year 2020 Contributions</u>	<u>Proportionate Share</u>	<u>Fiscal Year 2019 Contributions</u>	<u>% of Total Contributions</u>
Black Hawk College	\$ 88,035	0.957240%	\$ 88,306	0.983744%
Carl Sandburg College	41,765	0.454129%	41,163	0.458560%
College Of Dupage	426,235	4.634654%	411,316	4.582133%
College Of Lake County	294,176	3.198706%	287,661	3.204598%
Danville Area Community College	58,334	0.634289%	56,888	0.633738%
Elgin Community College	206,672	2.247245%	194,765	2.169716%
Heartland Community College	91,510	0.995032%	87,095	0.970255%
Highland Community College	47,412	0.515533%	43,402	0.483502%
Il Community College Trustees Assoc	915	0.009949%	2,045	0.022783%
Il Eastern Community College	76,573	0.832615%	75,364	0.839573%
Illinois Central College	163,048	1.772900%	159,863	1.780906%
Illinois Valley Community College	59,842	0.650693%	57,669	0.642442%
John A Logan College	89,969	0.978269%	86,591	0.964645%
John Wood Community College	41,188	0.447860%	40,826	0.454812%
Joliet Junior College	262,310	2.852217%	250,354	2.788994%
Kankakee Community College	69,366	0.754248%	69,064	0.769388%
Kaskaskia College	68,814	0.748247%	64,111	0.714210%
Kishwaukee College	62,293	0.677337%	64,155	0.714696%
Lake Land College	119,663	1.301146%	120,991	1.347859%
Lewis And Clark Community College	110,421	1.200660%	108,451	1.208168%
Lincoln Land Community College	141,353	1.536992%	137,292	1.529459%
Mchenry College	117,972	1.282768%	114,548	1.276091%
Moraine Valley Community College	238,065	2.588590%	231,401	2.577847%
Morton College	74,222	0.807051%	70,388	0.784135%
Oakton Community College	209,014	2.272706%	201,489	2.244626%
Parkland College	164,490	1.788575%	164,448	1.831980%
Prairie State College	92,231	1.002872%	86,292	0.961307%
Rend Lake College	47,470	0.516166%	46,753	0.520842%
Richland Community College	56,359	0.612814%	50,983	0.567963%
Rock Valley College	122,776	1.335003%	117,070	1.304179%
Sauk Valley College	39,378	0.428176%	38,044	0.423818%
Shawnee College	32,853	0.357224%	31,864	0.354974%
South Suburban College	99,494	1.081845%	101,184	1.127209%
Southeastern Illinois College	27,393	0.297852%	26,204	0.291918%
Southwestern Illinois College	138,091	1.501525%	146,107	1.627655%
Spoon River College	25,173	0.273716%	31,337	0.349097%
Triton College	137,119	1.490958%	135,639	1.511043%
Waubensee Community College	156,807	1.705040%	156,169	1.739747%
Wm. Rainey Harper College	299,556	3.257206%	290,963	3.241386%
Subtotal Community Colleges	\$ 4,598,357	50.000050%	\$ 4,488,255	50.000000%
Total State Appropriation	4,598,347	49.999950%	4,488,255	50.000000%
Grand Total*	\$ 9,196,704	100.000000%	\$ 8,976,511	100.000000%

* 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, 2020

<u>Employer</u>	<u>June 30, 2019</u> <u>OPEB Liability</u>	<u>June 30, 2020</u> <u>OPEB Liability</u>	<u>Prior Year</u> <u>Proportionate</u> <u>Share</u>	<u>Current Year</u> <u>Proportionate</u> <u>Share</u>
Black Hawk College	\$ 18,578,409	\$ 17,448,224	0.983744%	0.957240%
Carl Sandburg College	8,660,087	8,277,698	0.458560%	0.454129%
College Of Dupage	86,535,442	84,478,791	4.582133%	4.634654%
College Of Lake County	60,520,140	58,304,848	3.204598%	3.198706%
Danville Area Community College	11,968,403	11,561,588	0.633738%	0.634289%
Elgin Community College	40,975,965	40,961,964	2.169716%	2.247245%
Heartland Community College	18,323,664	18,137,073	0.970255%	0.995032%
Highland Community College	9,131,131	9,396,941	0.483502%	0.515533%
Il Community College Trustees Assoc	430,267	181,351	0.022783%	0.009949%
Il Eastern Community College	15,855,669	15,176,595	0.839573%	0.832615%
Illinois Central College	33,633,135	32,315,776	1.780906%	1.772900%
Illinois Valley Community College	12,132,780	11,860,603	0.642442%	0.650693%
John A Logan College	18,217,715	17,831,530	0.964645%	0.978269%
John Wood Community College	8,589,315	8,163,437	0.454812%	0.447860%
Joliet Junior College	52,671,277	51,989,178	2.788994%	2.852217%
Kankakee Community College	14,530,209	13,748,158	0.769388%	0.754248%
Kaskaskia College	13,488,143	13,638,771	0.714210%	0.748247%
Kishwaukee College	13,497,316	12,346,250	0.714696%	0.677337%
Lake Land College	25,454,857	23,716,814	1.347859%	1.301146%
Lewis And Clark Community College	22,816,742	21,885,197	1.208168%	1.200660%
Lincoln Land Community College	28,884,460	28,015,723	1.529459%	1.536992%
Mchenry College	24,099,502	23,381,826	1.276091%	1.282768%
Moraine Valley Community College	48,683,685	47,183,876	2.577847%	2.588590%
Morton College	14,808,702	14,710,639	0.784135%	0.807051%
Oakton Community College	42,390,676	41,426,047	2.244626%	2.272706%
Parkland College	34,597,679	32,601,493	1.831980%	1.788575%
Prairie State College	18,154,670	18,279,991	0.961307%	1.002872%
Rend Lake College	9,836,310	9,408,492	0.520842%	0.516166%
Richland Community College	10,726,213	11,170,154	0.567963%	0.612814%
Rock Valley College	24,629,955	24,333,939	1.304179%	1.335003%
Sauk Valley College	8,003,973	7,804,644	0.423818%	0.428176%
Shawnee College	6,703,834	6,511,352	0.354974%	0.357224%
South Suburban College	21,287,792	19,719,484	1.127209%	1.081845%
Southeastern Illinois College	5,512,985	5,429,140	0.291918%	0.297852%
Southwestern Illinois College	30,738,920	27,369,252	1.627655%	1.501525%
Spoon River College	6,592,840	4,989,187	0.349097%	0.273716%
Triton College	28,536,661	27,176,640	1.511043%	1.490958%
Waubensee Community College	32,855,835	31,078,847	1.739747%	1.705040%
Wm. Rainey Harper College	61,214,886	59,371,164	3.241386%	3.257206%
Subtotal of Community Colleges	\$ 944,270,247	\$ 911,382,676	50.000000%	50.000050%
Total State Appropriation	944,270,247	911,380,862	50.000000%	49.999950%
Grand Total*	\$ 1,888,540,495	\$ 1,822,763,538	100.000000%	100.000000%

* 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, 2020

Employer	Deferred Outflows of Resources					Total 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		
Black Hawk College	\$ 158,502	\$ -	\$ -	\$ 5,524	\$ 164,026	
Carl Sandburg College	75,196	-	-	19,648	94,844	
College Of Dupage	767,418	-	-	3,240,064	4,007,482	
College Of Lake County	529,650	-	-	2,915,828	3,445,478	
Danville Area Community College	105,027	-	-	476,269	581,296	
Elgin Community College	372,105	-	-	1,606,115	1,978,220	
Heartland Community College	164,760	-	-	883,361	1,048,121	
Highland Community College	85,363	-	-	943,799	1,029,162	
Il Community College Trustees Assoc	1,647	-	-	14,052	15,700	
Il Eastern Community College	137,867	-	-	55,796	193,662	
Illinois Central College	293,562	-	-	632,614	926,175	
Illinois Valley Community College	107,744	-	-	392,115	499,858	
John A Logan College	161,984	-	-	310,256	472,240	
John Wood Community College	74,158	-	-	250,621	324,779	
Joliet Junior College	472,278	-	-	2,931,747	3,404,024	
Kankakee Community College	124,890	-	-	5,204	130,094	
Kaskaskia College	123,897	-	-	959,178	1,083,075	
Kishwaukee College	112,155	-	-	119,406	231,561	
Lake Land College	215,447	-	-	2,036,753	2,252,200	
Lewis And Clark Community College	198,809	-	-	235,784	434,593	
Lincoln Land Community College	254,499	-	-	651,225	905,724	
Mchenry College	212,404	-	-	263,684	476,088	
Moraine Valley Community College	428,626	-	-	2,254,706	2,683,332	
Morton College	133,634	-	-	1,235,674	1,369,308	
Oakton Community College	376,321	-	-	1,364,718	1,741,039	
Parkland College	296,157	-	-	208,479	504,636	
Prairie State College	166,058	-	-	1,740,752	1,906,810	
Rend Lake College	85,468	-	-	2,613	88,081	
Richland Community College	101,471	-	-	1,088,187	1,189,659	
Rock Valley College	221,053	-	-	560,373	781,427	
Sauk Valley College	70,899	-	-	295,219	366,118	
Shawnee College	59,150	-	-	112,870	172,020	
South Suburban College	179,135	-	-	296,357	475,491	
Southeastern Illinois College	49,319	-	-	107,311	156,630	
Southwestern Illinois College	248,627	-	-	331,905	580,531	
Spoon River College	45,323	-	-	412,359	457,682	
Triton College	246,877	-	-	247,761	494,638	
Waubonsee Community College	282,325	-	-	1,601,986	1,884,311	
Wm. Rainey Harper College	539,337	-	-	1,385,767	1,925,103	
Subtotal of Community Colleges	\$ 8,279,142	\$ -	\$ -	\$ 32,196,077	\$ 40,475,219	
Total State Appropriation	8,279,125	-	-	3,267,188	11,546,314	
Grand Total*	\$ 16,558,267	\$ -	\$ -	\$ 35,463,266	\$ 52,021,533	

* 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, 2020

Employer	Deferred Inflows of Resources					Total 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		
Black Hawk College	\$ 976,542	\$ 2,789,332	\$ 739	\$ 1,310,337	\$ 5,076,949	
Carl Sandburg College	463,286	1,323,301	351	304,841	2,091,778	
College Of Dupage	4,728,106	13,505,066	3,578	955,574	19,192,324	
College Of Lake County	3,263,204	9,320,811	2,469	774,957	13,361,441	
Danville Area Community College	647,079	1,848,275	490	24,734	2,520,577	
Elgin Community College	2,292,558	6,548,319	1,735	1,140,995	9,983,606	
Heartland Community College	1,015,095	2,899,454	768	39,720	3,955,037	
Highland Community College	525,928	1,502,227	398	726,820	2,755,372	
Il Community College Trustees Assoc	10,150	28,991	8	235,415	274,564	
Il Eastern Community College	849,403	2,426,182	643	242,521	3,518,749	
Illinois Central College	1,808,648	5,166,110	1,369	668,981	7,645,107	
Illinois Valley Community College	663,814	1,896,076	502	274,875	2,835,268	
John A Logan College	997,994	2,850,609	755	1,049,242	4,898,601	
John Wood Community College	456,891	1,305,035	346	278,789	2,041,060	
Joliet Junior College	2,909,728	8,311,167	2,202	1,071,930	12,295,026	
Kankakee Community College	769,456	2,197,827	582	565,795	3,533,661	
Kaskaskia College	763,334	2,180,340	578	790,253	3,734,505	
Kishwaukee College	690,994	1,973,713	523	1,046,236	3,711,467	
Lake Land College	1,327,382	3,791,450	1,004	1,050,901	6,170,738	
Lewis And Clark Community College	1,224,870	3,498,642	927	274,196	4,998,635	
Lincoln Land Community College	1,567,983	4,478,689	1,187	1,043,869	7,091,727	
Mchenry College	1,308,633	3,737,898	990	742,718	5,790,240	
Moraine Valley Community College	2,640,786	7,542,975	1,998	91,339	10,277,097	
Morton College	823,325	2,351,693	623	36,444	3,212,085	
Oakton Community College	2,318,532	6,622,509	1,755	81,867	9,024,661	
Parkland College	1,824,639	5,211,785	1,381	1,179,021	8,216,827	
Prairie State College	1,023,094	2,922,301	774	41,073	3,987,242	
Rend Lake College	526,574	1,504,073	398	522,875	2,553,921	
Richland Community College	625,171	1,785,699	473	676,296	3,087,639	
Rock Valley College	1,361,921	3,890,106	1,031	1,435,031	6,688,089	
Sauk Valley College	436,810	1,247,677	331	126,386	1,811,204	
Shawnee College	364,427	1,040,927	276	79,372	1,485,002	
South Suburban College	1,103,659	3,152,424	835	972,337	5,229,256	
Southeastern Illinois College	303,858	867,921	230	311,926	1,483,934	
Southwestern Illinois College	1,531,801	4,375,342	1,159	4,229,569	10,137,871	
Spoon River College	279,235	797,588	211	1,499,180	2,576,214	
Triton College	1,521,021	4,344,550	1,151	1,631,811	7,498,533	
Waubonsee Community College	1,739,420	4,968,370	1,316	1,023,310	7,732,416	
Wm. Rainey Harper College	3,322,883	9,491,276	2,515	327,256	13,143,930	
Subtotal of Community Colleges	\$ 51,008,233	\$ 145,696,729	\$ 38,600	\$ 28,878,791	\$ 225,622,353	
Total State Appropriation	51,008,132	145,696,439	38,600	9,892,267	206,635,437	
Grand Total*	\$ 102,016,365	\$ 291,393,168	\$ 77,200	\$ 38,771,058	\$ 432,257,791	

* 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, 2020

<u>Employer</u>	<u>OPEB Expense</u>	<u>Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions</u>	<u>Total Employer Expense</u>
Black Hawk College	\$ 376,592	\$ (414,838)	\$ (38,246)
Carl Sandburg College	178,661	(72,220)	106,442
College Of Dupage	1,823,341	1,038,431	2,861,772
College Of Lake County	1,258,418	758,367	2,016,785
Danville Area Community College	249,539	139,673	389,212
Elgin Community College	884,099	50,757	934,856
Heartland Community College	391,460	221,724	613,184
Highland Community College	202,818	61,944	264,762
Il Community College Trustees Assoc	3,914	(44,666)	(40,752)
Il Eastern Community College	327,563	(62,336)	265,227
Illinois Central College	697,485	114,793	812,278
Illinois Valley Community College	255,992	20,793	276,785
John A Logan College	384,865	(399,990)	(15,124)
John Wood Community College	176,195	33,729	209,924
Joliet Junior College	1,122,104	784,781	1,906,886
Kankakee Community College	296,732	(147,657)	149,076
Kaskaskia College	294,371	(157,301)	137,070
Kishwaukee College	266,474	(260,636)	5,839
Lake Land College	511,890	290,540	802,430
Lewis And Clark Community College	472,357	46,756	519,114
Lincoln Land Community College	604,675	766	605,441
Mchenry College	504,660	(127,940)	376,720
Moraine Valley Community College	1,018,390	803,478	1,821,867
Morton College	317,506	363,511	681,017
Oakton Community College	894,116	434,118	1,328,233
Parkland College	703,652	(220,090)	483,562
Prairie State College	394,545	546,712	941,256
Rend Lake College	203,067	(164,149)	38,919
Richland Community College	241,090	12,182	253,272
Rock Valley College	525,210	(350,984)	174,226
Sauk Valley College	168,451	77,681	246,132
Shawnee College	140,537	(3,825)	136,712
South Suburban College	425,614	(160,404)	265,210
Southeastern Illinois College	117,179	(106,686)	10,494
Southwestern Illinois College	590,722	(923,899)	(333,177)
Spoon River College	107,684	(143,792)	(36,108)
Triton College	586,565	(334,285)	252,280
Waubensee Community College	670,788	417,027	1,087,815
Wm. Rainey Harper College	1,281,433	453,993	1,735,425
Subtotal of Community Colleges	\$ 19,670,757	\$ 2,576,057	\$ 22,246,814
Total State Appropriation	19,670,718	(3,461,577)	16,209,141
Grand Total*	\$ 39,341,475	\$ (885,520)	\$ 38,455,955

* 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, 2020

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, 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. 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 2020 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 actual fiscal year 2020 contributions as the allocation percentage and respective contribution amount. For the purpose of allocating the beginning total OPEB liability, the CCISF utilized the long-range funding target of 50% during fiscal year 2019.

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, 2019. The measurement date of the OPEB liability was June 30, 2020.

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 2020 are appropriate as the basis because they are representative of future contributions. For the non-employer contribution, the plan has determined to use actual fiscal year 2020 contributions as this is materially consistent with 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, 2019 and measured as of June 30, 2020. 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 2020 and 2019 used as the denominator for the allocation calculation in the Schedule of Employer Allocations can be reconciled to the CCHISF financial statements, as follows:

	<u>2019</u>	<u>2020</u>
Contributions to defined benefit plan		
Employer	\$ 4,488,255	\$ 4,598,357
State	9,487,431	4,598,347
Less one-time additional State appropriation	(5,000,000)	-
Miscellaneous adjustments	825	-
Total Contributions – Schedule of Employer Allocations	<u>\$ 8,976,511</u>	<u>\$ 9,196,704</u>

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	\$ 100,887,334
Interest on the Total OPEB Liability	48,521,794
Current-Period Benefit Changes	-
Active Member Contributions	(4,598,000)
Projected Earning on Plan Investments	-
OPEB Plan Operating Expenses	4,229,000
Other Changes in Plan Fiduciary Net Position	(97,000)
Recognition of Outflow/(Inflow) due to Liability Experience	(18,259,148)
Recognition of Outflow/(Inflow) due to Assumption Changes	(91,311,305)
Recognition of Outflow/(Inflow) due to Investment Experience	(31,200)
	<u>\$ 39,341,475</u>

At the beginning of the current measurement period, the expected remaining service lives of all active members in the plan was approximately 186,300 years. Additionally, the total plan membership (active, inactive and retired members) was 32,605. 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 5.71 years.

F. Total OPEB Liability

The total OPEB liability for CCHISF for fiscal year 2020 is set forth in the following table:

Total OPEB Liability Beginning of Year	\$ 1,888,540,495
OPEB Expense	39,341,475
Employer Contributions	(9,196,000)
Change in Liability Experience Outflows/(Inflows) Recognized in Current Liabilities	(67,653,150)
Change in Assumption Changes Experience Outflows/(Inflows) Recognized in Current Liabilities	(28,275,482)
Change in Investment Experience Outflows/(Inflows) Recognized in Current Assets	6,200
Total OPEB Liability End of Year¹	<u>\$ 1,822,763,538</u>

¹The 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, 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, 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/>.