



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, 2019

Release Date: January 30, 2020

FINDINGS THIS AUDIT:	0
FINDINGS LAST AUDIT:	0

INTRODUCTION

This digest covers our financial audit of the Teacher Health Insurance Security Fund for the year ended June 30, 2019. At June 30, 2019 the Net Position was \$68,064,000. Further, the Schedule of Changes in Net OPEB Liability reflects a Net OPEB Liability of \$27,745,515,633.

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, 2019, 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, 2019**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (expressed in thousands)	Fiscal Year 2019	Fiscal Year 2018
Additions		
Contributions		
Employer.....	\$ 96,021	\$ 88,996
State.....	130,068	119,568
Plan Members		
Actives.....	130,068	119,906
Federal government Medicare Part D.....	975	1,533
Consolidated Omnibus Budget Reconciliation Act.....	104	81
Total contributions.....	<u>357,236</u>	<u>330,084</u>
Interest income.....	397	743
Total additions.....	<u>357,633</u>	<u>330,827</u>
Deductions		
Benefit payments and refunds.....	260,652	275,400
General and administrative.....	10,430	14,226
Total deductions.....	<u>271,082</u>	<u>289,626</u>
Net additions (deductions).....	86,551	41,201
Unrestricted Net Position		
Beginning of Year.....	(18,487)	(59,688)
End of Year.....	<u>\$ 68,064</u>	<u>\$ (18,487)</u>

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS (expressed in thousands) (Unaudited)	June 30, 2019	June 30, 2018
Total OPEB Liability- Beginning.....	\$ 26,327,385	\$ 25,904,540
Net Change in Total OPEB Liability.....	\$ 1,418,130	\$ 422,845
Total OPEB Liability- Ending.....	\$ 27,745,515	\$ 26,327,385
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability.....	0.25%	-0.07%

PARTICIPANT INFORMATION	Fiscal Year 2019	Fiscal Year 2018
Inactive plan members currently receiving benefit payments.....	65,570	64,899
Inactive plan members entitled to but not yet receiving benefit payments.....	38,916	38,319
Active plan members.....	155,119	154,796
Total.....	<u>259,605</u>	<u>258,014</u>
Number of participating employers.....	979	978
Number of nonemployer contributing entities.....	1	1

AGENCY DIRECTOR
During Examination Period: Tim McDevitt, Acting (through 1/4/19); Sarah Kerley, Acting (1/5/19 - 1/20/19); Janel Forde, Acting (effective 1/21/19)
Currently: Janel Forde, Acting