



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

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES
LOCAL GOVERNMENT HEALTH INSURANCE RESERVE FUND

Financial Audit
For the Year Ended: June 30, 2010

Release Date: May 12, 2011

Summary of Findings:

| | |
|----------------------------------|----------|
| Total this audit: | 0 |
| Total last audit: | 1 |
| Repeated from last audit: | 0 |

INTRODUCTION

This digest covers the financial audit of the Local Government Health Insurance Reserve Fund for the year ended June 30, 2010.

There were no internal control or noncompliance findings disclosed during our audit.

AUDITORS' OPINION

Our auditors state the financial statements of the Local Government Health Insurance Reserve Fund as of June 30, 2010, are fairly presented in all material respects.

A handwritten signature in blue ink, appearing to read "William G. Holland", written over a horizontal line.

WILLIAM G. HOLLAND
Auditor General

WGH:TLD:pp

AUDITORS ASSIGNED: This audit was performed by the Office of the Auditor General's staff.

**DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES
LOCAL GOVERNMENT HEALTH INSURANCE RESERVE FUND
FINANCIAL AUDIT
For the Year Ended June 30, 2010**

| STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS (expressed in thousands) | Fiscal Year 2010 | Fiscal Year 2009 |
|--|-----------------------------|-----------------------------|
| OPERATING REVENUES | | |
| Charges for sales and services..... | \$ 53,027 | \$ 54,820 |
| OPERATING EXPENSES | | |
| Benefit payments and refunds..... | 55,663 | 54,551 |
| Interest..... | - | 2 |
| Depreciation..... | 3 | 3 |
| General and administrative..... | 1,931 | 2,068 |
| Total operating expenses..... | <u>57,597</u> | <u>56,624</u> |
| Operating income (loss)..... | (4,570) | (1,804) |
| NONOPERATING REVENUES (EXPENSES) | | |
| Interest and investment income..... | 33 | 179 |
| Other revenues..... | 156 | 168 |
| Income (loss) before contributions and transfers..... | (4,381) | (1,457) |
| Transfers..... | - | (1,000) |
| Changes in net assets..... | (4,381) | (2,457) |
| Beginning Net Assets, July 1,..... | 4,772 | 7,229 |
| ENDING NET ASSETS, JUNE 30..... | \$ <u>391</u> | \$ <u>4,772</u> |

| SUPPLEMENTARY INFORMATION | Fiscal Year 2010 | Fiscal Year 2009 |
|--|-----------------------------|-----------------------------|
| Number of local governmental entities participating..... | 452 | 458 |
| Approximate number of employees covered..... | 4,839 | 5,282 |
| Approximate number of dependents covered..... | 3,093 | 3,254 |
| Approximate number of retirees covered..... | 320 | 346 |

| AGENCY DIRECTOR |
|--|
| During Examination Period: Ms. Julie Hamos Currently: Ms. Julie Hamos |