



STATE OF ILLINOIS
OFFICE OF THE
AUDITOR GENERAL

Christopher B. Meister, Auditor General

SUMMARY REPORT DIGEST

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
COMMUNITY COLLEGE HEALTH INSURANCE SECURITY FUND

**Financial Audit – Schedule of Allocation
For the Year Ended June 30, 2025**

Release Date: June 30, 2026

FINDINGS THIS AUDIT: 0

FINDINGS LAST AUDIT: 0

INTRODUCTION

This digest covers the Financial Audit of the Schedule of Employer Allocations of the Community College Health Insurance Security Fund (Fund) as of and for the year ended June 30, 2025 and the related notes to the Schedule. In addition, the digest also covers the Financial Audit of the total for all entities 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 Employer OPEB expense subject to allocation (specified column totals) in the Schedule of OPEB Amounts by Employer of the State of Illinois, Department of Central Management Services' Community College Health Insurance Security Fund as of and for the year ended June 30, 2025 and the related notes to the Schedule. We previously released a separate Financial Audit of the Fund's financial statements (released February 5, 2026) as of and for the year ending June 30, 2025.

The Department, along with the State Universities Retirement System, is the administrator of a cost-sharing, multiple-employer defined benefit postemployment benefit plan. The plan was established to provide health and dental insurance for the Illinois community college retirees and dependent beneficiaries. Certain contributions are statutorily required to be made to the plan by employees, employers and the State of Illinois (State), which would be considered a non-employer contributing entity. The Governmental Accounting Standards Board (GASB) Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions requires the participating employers and non-employer 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.

Within a cost sharing plan like the Fund, the OPEB obligation to the employees of more than one employer are pooled and Plan assets can be used to pay the benefits of the employees of any employer that is a member of the Plan. Prior to the implementation of GASB Statement 75, the portion of the Plan's liability not covered by assets was not allocated among the employers or State for financial reporting purposes. GASB Statement 75 changed previously followed financial reporting requirements and as a result, employers and the State are required to report their portion of the collective OPEB amounts in their GAAP basis financial statements.

Due to employers and the State of Illinois 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 Schedule of Employer Allocations and the Schedule of OPEB Amounts by Employer which provide the necessary financial information for each employer and the State to report their proportionate share of the collective pension amounts in their financial statements. By having these Schedules audited, it also provides the employer's and the State's auditors an Independent Auditor's Opinion on the allocations and collective OPEB amounts reported in the Schedules.

The Plan's net OPEB liability at June 30, 2024 was \$665.2 million. At June 30, 2025, the Plan's net OPEB liability was \$663.3 million, of which \$331.7 million (50%) was allocated to the State of Illinois as its portion of the net OPEB liability. The remaining amount, \$331.7 million, was allocated to the other 39 employers.

There were no findings disclosed during this audit.

AUDITOR'S OPINION

The auditors stated the Schedule of Employer Allocations for the years ended June 30, 2025, and the total beginning OPEB liability, total 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 Community College Health Insurance Security Fund as of and for the year ended June 30, 2025, and the related notes to the Schedule, are fairly stated in all material respects.

This financial audit was conducted by Sikich CPA LLC.

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COURTNEY DZIERWA
Deputy Auditor General

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

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CHRISTOPHER B. MEISTER
Auditor General

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