

Note:

This report of the Illinois Workers' Compensation Commissions' Self-Insurers Security Fund (Fund) should be read in conjunction with the FY16 financial statements of the Fund and the auditor's report dated January 4, 2018.

In FY16, the auditors issued an adverse opinion on the Fund's financial statements due to the Commission having an inadequate process to determine the claims liabilities of the Fund, and because the proper accounting treatment for the insolvent self-insurer security collected by the State of Illinois is not determinable due to two different irreconcilable interpretations of the Worker's Compensation Act. Because of the adverse auditor opinion of the Fund's financial statements for the year ended June 30, 2016, the audit reports for the year ended prior to June 30, 2016 should not be relied upon without considering the auditor's report dated January 4, 2018.

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OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

REPORT DIGEST

**INDUSTRIAL COMMISSION
SELF-INSURERS' SECURITY FUND
FINANCIAL AUDIT
FOR THE YEAR ENDED JUNE 30, 1994**

INTRODUCTION

This audit was limited to an examination of the Self-Insurers' Security Fund for the purpose of rendering an opinion on the financial statements of the fund. A compliance audit for the two year period ending June 30, 1995 will be performed next year. The Fund was established to provide compensation for employees of insolvent self-insured employers for injuries and occupational disease.

AUDITORS' OPINION

Our auditors state that the June 30, 1994 financial statements of the Industrial Commission Self-Insurers' Advisory Board Self-Insurers' Fund were fairly stated.

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

WILLIAM G. HOLLAND, Auditor General

WGH:ROQ
May 18, 1995

AUDITORS ASSIGNED

Philip Rosenstock & Company were our special assistant auditors for this audit.

{Expenditures and Activity Measures are summarized on the reverse page.}
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INDUSTRIAL COMMISSION
FINANCIAL AUDIT
For The Year Ended June 30, 1994

FINANCIAL STATISTICS	FY 1994	FY 1993
● ASSETS		
Cash	\$7,728,962	\$8,073,808
Receivables	<u>25,575</u>	<u>89,569</u>
Total Assets	<u>\$7,754,537</u>	<u>\$8,163,377</u>
● LIABILITIES AND FUND BALANCE		
Vouchers Payable	\$ 87,850	\$ 14,738
Liability for Unpaid Claims	2,584,988	3,330,000
Fund Balance	<u>5,081,699</u>	<u>4,818,639</u>
Total Liabilities and Fund Balance	<u>\$7,754,537</u>	<u>\$8,163,377</u>
● REVENUES		
Escrow Fees & Surety Bonds	\$ 54,897	\$1,428,639
Interest Income	<u>252,501</u>	<u>259,491</u>
Total Revenues	<u>\$ 307,398</u>	<u>\$1,688,128</u>
● EXPENDITURES		
Benefit Payments	\$ 583,193	\$ 322,480
Personal Services	137,267	95,743
Other Expenditures	<u>68,889</u>	<u>27,931</u>
Total Expenditures	<u>\$ 789,349</u>	<u>\$ 446,154</u>
● CHANGES IN LIABILITY FOR UNPAID CLAIMS		
CLAIMS	<u>\$ (745,011)</u>	<u>\$ 530,000</u>
● NET INCREASE IN FUND BALANCE	<u>\$ 263,060</u>	<u>\$ 711,974</u>