

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.



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

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

ILLINOIS WORKERS' COMPENSATION COMMISSION
SELF-INSURERS' SECURITY FUND

Financial Audit

For the Year Ended June 30, 2014

Release Date: January 8, 2015

FINDINGS THIS AUDIT:	0
FINDINGS LAST AUDIT:	1

INTRODUCTION

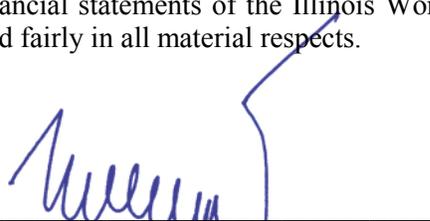
The Illinois Workers' Compensation Commission Self-Insurers' Security Fund (Fund) is administered by the Illinois Workers' Compensation Commission Self-Insurers' Advisory Board (Board) established within the Illinois Workers' Compensation Commission (Commission). The Fund was established to provide compensation to employees of insolvent self-insured employers for any type of injury or occupational disease. The Commission may, upon the direction of the Board, assess each of the private self-insurers a pro rata share of the funding reasonably necessary to carry out its activities.

A State Compliance examination on the entire Commission will be performed next year for the two year period ending June 30, 2015.

There were no findings disclosed during our audit.

AUDITORS' OPINION

Our auditors state the June 30, 2014 financial statements of the Illinois Workers' Compensation Commission – Self-Insurers' Security Fund are presented fairly in all material respects.



WILLIAM G. HOLLAND
Auditor General

WGH:JCR

SPECIAL ASSISTANT AUDITORS

Our Special Assistant Auditors for this audit were E.C. Ortiz & Co., LLP.

{Financial information is summarized on next page.}

**WORKERS' COMPENSATION COMMISSION
SELF-INSURERS' SECURITY FUND
FINANCIAL AUDIT
For the Year Ended June 30, 2014**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION		2014
OPERATING REVENUES	\$	513,182
OPERATING EXPENSES		
Benefit Payments		514,268
Personnel and Operating Expenses.....		55,072
Total Operating Expenses.....		569,340
OPERATING LOSS.....		(56,158)
NONOPERATING REVENUES		
Interest Income.....		81,865
Total Nonoperating Revenues.....		81,865
Change in Net Position.....	\$	25,707
STATEMENT OF NET POSITION		2014
ASSETS		
Cash in State Treasury.....	\$	21,008,006
Cash in Bank and on Hand.....		100
Accrued Interest Receivable.....		7,793
Excess Insurance Receivable.....		255,373
Securities Lending Collateral.....		10,677,000
Total Assets.....		31,948,272
LIABILITIES		
Accounts Payable.....		33,185
Due to Other Funds.....		12,692
Obligations Under Securities.....		10,677,000
Unearned Security Deposit.....		1,885,010
Liabilities for Unpaid Claims.....		6,783,205
Total Liabilities.....		19,391,092
RESTRICTED NET POSITION	\$	12,557,180
CHAIRMAN		
During Audit Period: Michael Latz (3/22/13 to 11/30/14)		
Currently: Ronald Rascia (Acting) (12/1/14 to Current)		