

**LASALLE COUNTY, ILLINOIS**

**SELF-INSURANCE TRUST**

**ANNUAL FINANCIAL REPORT**

**NOVEMBER 30, 2018**

*Prepared by:*

***Mack & Associates, P.C.  
Certified Public Accountants***

***116 E. Washington Street, Suite One  
Morris, IL 60450  
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**CERTIFIED PUBLIC ACCOUNTANTS**

**LASALLE COUNTY SELF-INSURANCE TRUST**

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**LASALLE COUNTY SELF-INSURANCE TRUST**

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***INDEPENDENT AUDITORS' REPORT***



CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

To the Members of the Board  
LaSalle County Self-Insurance Trust  
Ottawa, Illinois

### Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the LaSalle County Self-Insurance Trust, as of and for the year ended November 30, 2018, and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the LaSalle County Self-Insurance Trust as of November 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and notes to required supplementary information on pages 3-7 and 24-30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the LaSalle County, Illinois' Self Insurance Trust's financial statements taken as a whole. The schedules listed in the table of contents as "Other Supplementary Information" are presented for purposes of additional analysis and are not a required part of the basic financial statements. The "Other Supplementary Information" is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standard generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### *Comparative Data*

We previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the LaSalle County Self-Insurance Trust, for the year ended November 30, 2017, which are presented for comparison purposes with the accompanying financial statements. In our report dated March 15, 2018, we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information.

*Mack & Associates, P.C.*

Mack & Associates, P.C.

Certified Public Accountants

April 18, 2019  
Morris, Illinois

***MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)***

## LASALLE COUNTY SELF-INSURANCE TRUST

### MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

For the Year Ended November 30, 2018

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Our discussion and analysis of LaSalle County Self-Insurance Trust's (Trust) financial performance provides an overview of the Trust's financial activities for the fiscal year ended November 30, 2018, within the limitations of the Trust's basis of accounting. Please read in conjunction with LaSalle County Self-Insurance Trust's financial statements.

#### FINANCIAL HIGHLIGHTS

- LaSalle County Self-Insurance Trust's total expenses on the government-wide Statement of Activities were greater than total revenues, on the accrual basis of accounting, by \$951,975 for the year.
- The Trust's investments totaled \$13,566,823 and the Claims fund had a deficit balance of \$12,115 at the end of the year. Overall the Trust ended the year with a fund balance of \$13,554,708.
- The Trust's major sources of revenues consist of income from investments and contributions from the County. The Trust spends a majority of its funds on claims, insurance premiums, and administrative expenses related to the Trust's investments.

#### USING THIS ANNUAL REPORT

##### Report Components

This report consists of three parts: Management's Discussion and Analysis (this section), the basic financial statements (government-wide and fund statements) including notes to the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of LaSalle County Self Insurance Trust:

- The Statement of Net Position and Statement of Activities provide information on government-wide statements and are on the accrual basis of accounting. The statements present an aggregated view of the LaSalle County Self-Insurance Trust's finances.
- The remaining statements are Fund Financial Statements that focus on individual parts of the Trust, reporting more detailed statements than the governmental wide statements. The fund statements are presented on the modified accrual basis of accounting, the method the Trust uses for internal accounting.

**Notes to the Financial Statements:** The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded information and detail regarding the information reported in the statements.

**Required Supplementary Information:** The Management's Discussion and Analysis represent financial information required by GASB to be presented. Such information provides users of this report with additional data that supplements the government-wide financial statements, fund financial statements, and notes (referred to as the "basic financial statements").



## **LASALLE COUNTY SELF-INSURANCE TRUST**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED**

**For the Year Ended November 30, 2018**

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#### **Basis of Accounting**

Basis of accounting is a reference to when financial events are recorded, such as the timing for recognizing revenues and expenses. The Trust has elected to report the financial statements using the accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting, revenues and expenses (along with related assets and liabilities) are recorded when they are earned or incurred rather than from cash transactions. Depreciation expense on capital assets is reported in the proprietary and fund statements.

#### **Reporting the LaSalle County Self-Insurance Trust as a Whole**

##### *LaSalle County Self-Insurance Trust's Entity Presentation*

This annual report includes all activities for which LaSalle County Self-Insurance Trust is fiscally responsible. These activities are defined as LaSalle County Self-Insurance Trust's reporting entity.

#### **The Government-Wide Statement of Net Position and the Statement of Activities**

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the Trust's assets and liabilities, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other nonfinancial factors such as diversification of the Trust's investments or the condition of the County in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities* which reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included when earned. An important purpose of the design of the statement of activities is to show financial reliance of the Trust's distinct activities or functions on revenues provided by the Trust's investments or contributions from the County.

#### **The Fund Financial Statements**

The fund financial statements provide more detailed information about the Trust's funds, focusing on its most significant or "major" funds – not the Trust as a whole. Funds are accounting devices the Trust uses to keep track of specific sources of funding and spending on particular programs.

- Some Funds are required by state law and bond covenants.
- The Trust can establish other funds to control and manage monies for particular purposes or to show that it is properly using certain revenues.

## LASALLE COUNTY SELF-INSURANCE TRUST

### MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

For the Year Ended November 30, 2018

#### Condensed Financial Information:

As shown in Table 1, Net Position of the Trust decreased by 28.40% (\$2,399,708 compared to \$3,351,683). The Restricted Net Position of \$2,411,823 is restricted for insurance expenses and bond & interest payments.

**Table 1**  
**Statement of Net Position**

	Governmental Activities		% Change 2017-2018
	2018	2017	
Assets			
Cash in bank	\$ 56,219	84,211	-33.24%
Investments	13,566,823	15,935,681	-14.87%
Total assets	13,623,042	16,019,892	-14.96%
Liabilities			
Due within one year	1,538,334	1,513,209	1.66%
Due within more than one year	9,685,000	11,150,000	-13.14%
Total liabilities	11,223,334	12,663,209	-11.37%
Net Position			
Unrestricted	(12,115)	6,002	-301.85%
Restricted	2,411,823	3,345,681	-27.91%
Total net position	\$ 2,399,708	3,351,683	-28.40%

**LASALLE COUNTY SELF-INSURANCE TRUST****MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED****For the Year Ended November 30, 2018****Condensed Financial Information – (Continued):**

As shown in Table 2, total income was \$3,165,027 for the fiscal year, largely attributable to County contributions of \$2,782,026. Total expenditures for the fiscal year were \$4,117,002, including current interest expense and excluding payments on bond principal. Overall, total income increased by 45.26%, while expenditures increased by 94.31%. The significant increase in revenues for 2018 is attributable to contributions from the County to close the County's Disaster fund after it was determined that expenditures related to the tornado damage should be paid out of the Self-Insurance Trust. Expenditures increased by 94.31% because the Self-Insurance Trust was required to make a reimbursement payment to the County in the amount of \$2,000,000 for claims related to the tornado. As a result, the Trust has deteriorated financially, as the net position decreased by \$951,975. However, the significant decrease in net position is largely attributable to transfers that were made to and from the County related to the payment of tornado claims.

**Table 2**  
**Change in Net Position**

	<u>Governmental Activities</u>		<u>% Change 2017-2018</u>
	<u>2018</u>	<u>2017</u>	
General revenue:			
Interest income	\$ 451,966	457,967	-1.31%
Realized gain (loss) on investments	(137,359)	(65,923)	108.36%
County contributions	2,782,026	1,835,690	51.55%
Other	68,394	44,240	54.60%
Total revenues	<u>3,165,027</u>	<u>2,271,974</u>	<u>39.31%</u>
Special items:			
Bond premium	-	154,328	-100.00%
Payment to refunding escrow agent	-	(247,367)	-100.00%
Total special items	<u>-</u>	<u>(93,039)</u>	<u>-100.00%</u>
Total revenues and special items	<u>3,165,027</u>	<u>2,178,935</u>	<u>45.26%</u>
Program expenses:			
Administration and claims	<u>4,117,002</u>	<u>2,118,742</u>	<u>94.31%</u>
Total expenses	<u>4,117,002</u>	<u>2,118,742</u>	<u>94.31%</u>
Change in net position	(951,975)	60,193	-1681.54%
Net position, beginning of year	<u>3,351,683</u>	<u>3,291,490</u>	<u>1.83%</u>
Net position, end of year	<u>\$ 2,399,708</u>	<u>3,351,683</u>	<u>-28.40%</u>

## LASALLE COUNTY SELF-INSURANCE TRUST

### MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED For the Year Ended November 30, 2018

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#### Debt Administration

As seen in Table 3, the Trust currently has \$11,155,000 in outstanding debt as of November 30, 2018, compared to \$12,590,000 as of November 30, 2017. The Trust is not subject to any debt limitations. All debt is related to governmental activities. Refer to Note 6 for further details regarding the Trust's long-term debt obligations.

**Table 3**  
**Long-Term Debt**

	2018	2017
Series 2011 Bonds	\$ 1,240,000	1,825,000
Series 2013 Bonds	6,250,000	7,055,000
Series 2017 Refunding Bonds	3,665,000	3,710,000
Total	<u>\$ 11,155,000</u>	<u>12,590,000</u>

#### Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the LaSalle County Self-Insurance Trust's finances and to show the Trust's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Clerk's Office at LaSalle County, 707 Etna Road, Ottawa, IL 61350.

## ***BASIC FINANCIAL STATEMENTS***

# LASALLE COUNTY SELF-INSURANCE TRUST

## Government-wide Statement of Net Position

November 30, 2018

(With Comparative Figures as of November 30, 2017)

		Governmental Activities	
		2018	2017
<u>Assets</u>			
Cash in bank		\$ 56,219	84,211
Investments		13,566,823	15,935,681
Total assets		13,623,042	16,019,892
<u>Liabilities</u>			
Current Liabilities:			
Claims payable		68,334	78,209
Total current liabilities		68,334	78,209
Long-term Liabilities:			
Due in one year		1,470,000	1,435,000
Due within more than one year		9,685,000	11,155,000
Total long term liabilities		11,155,000	12,590,000
Total liabilities		11,223,334	12,668,209
<u>Net Position</u>			
Unrestricted		(12,115)	6,002
Restricted		2,411,823	3,345,681
Total net position		\$ 2,399,708	3,351,683

The Notes to Basic Financial Statements are an integral part of this statement

# LASALLE COUNTY SELF-INSURANCE TRUST

## Government-wide Statement of Activities

For the Year Ended November 30, 2018

(With Comparative Figures for the Year Ended November 30, 2017)

Program Activities	Expenditures	Program Revenues	Net (Expense) Revenue And Changes in Net Position	
		Fees and Charges for Services	2018	2017
Governmental activities:				
Administrative	\$ 4,117,002	2,782,026	(1,334,976)	(283,052)
Total governmental activities	<u>\$ 4,117,002</u>	<u>2,782,026</u>	<u>(1,334,976)</u>	<u>(283,052)</u>
General revenues:				
Interest on investments			451,966	457,967
Realized gain (loss) on investments			(137,359)	(65,923)
Other			<u>68,394</u>	<u>44,240</u>
Total general revenues			<u>383,001</u>	<u>436,284</u>
Special items:				
Bond issuance premium			-	154,328
Payment to refunding escrow agent			<u>-</u>	<u>(247,367)</u>
Total special items			<u>-</u>	<u>(93,039)</u>
Change in net position			(951,975)	60,193
Net position at beginning of year			<u>3,351,683</u>	<u>3,291,490</u>
Net position at end of year			<u>\$ 2,399,708</u>	<u>3,351,683</u>

The Notes to Basic Financial Statements are an integral part of this statement

**LASALLE COUNTY SELF-INSURANCE TRUST**

**Statement of Assets, Liabilities, and Fund Balance - Governmental Funds**

**November 30, 2018**

**(With Comparative Figures as of November 30, 2017)**

	Major Funds				Total	
	General (Claims)	Principal	Premium Reserve	Non-Major Funds	November 30,	
					2018	2017
<u>Assets</u>						
Cash in bank	\$ 56,219	-	-	-	56,219	84,211
Investments	-	9,446,589	2,342,652	1,777,582	13,566,823	15,935,681
Total Assets	<u>\$ 56,219</u>	<u>9,446,589</u>	<u>2,342,652</u>	<u>1,777,582</u>	<u>13,623,042</u>	<u>16,019,892</u>
 <u>Liabilities and Fund Balance</u>						
Liabilities:						
Claims Payable	\$ 68,334	-	-	-	68,334	78,209
Total Liabilities	<u>68,334</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,334</u>	<u>78,209</u>
Fund balance:						
Restricted	-	9,446,589	2,342,652	1,777,582	13,566,823	15,935,681
Unassigned	<u>(12,115)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,115)</u>	<u>6,002</u>
Total Fund Balances	<u>(12,115)</u>	<u>9,446,589</u>	<u>2,342,652</u>	<u>1,777,582</u>	<u>13,554,708</u>	<u>15,941,683</u>
Total Liabilities and Fund Balances	<u>\$ 56,219</u>	<u>9,446,589</u>	<u>2,342,652</u>	<u>1,777,582</u>	<u>13,623,042</u>	<u>16,019,892</u>

**Reconciliation to the Statement of Net Position:**

Fund balance - governmental funds	\$ 13,554,708	15,941,683
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Amounts reported for governmental activities in the Statement of  
Net Position are different because:

Some liabilities, including capital debt obligations payable, are not due and payable in the  
current period and, therefore, are not reported in the funds.

Bonds Payable	(11,155,000)	(12,590,000)
Net position of governmental activities	<u>\$ 2,399,708</u>	<u>3,351,683</u>

The Notes to Basic Financial Statements are an integral part of this statement



# **LASALLE COUNTY SELF-INSURANCE TRUST**

## **Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds** **For the Year Ended November 30, 2018** **(With Comparative Figures for the Year Ended November 30, 2017)**

	Major Funds				Total November 30,	
	General (Claims)	Principal	Premium Reserve	Non-Major Funds	2018	2017
Revenues:						
Interest Income	\$ -	361,433	85,792	4,741	451,966	457,967
Realized gain (loss) on investments	-	(101,758)	(35,601)	-	(137,359)	(65,923)
Other income	68,394	-	-	-	68,394	44,240
Total revenues	68,394	259,675	50,191	4,741	383,001	436,284
Expenditures:						
Administration and claims	3,069,498	705,152	11,566	1,500	3,787,716	1,695,292
Bond Principal	-	-	-	1,435,000	1,435,000	1,360,000
Bond Interest	-	-	-	329,286	329,286	423,450
Total expenditures	3,069,498	705,152	11,566	1,765,786	5,552,002	3,478,742
Excess of revenues over (under) expenditures	(3,001,104)	(445,477)	38,625	(1,761,045)	(5,169,001)	(3,042,458)
Other financing sources (uses):						
Contributions from (to) County	-	1,078,869	365,464	1,337,693	2,782,026	1,835,690
Transfers from (to) other funds	2,982,987	(2,634,736)	(709,000)	360,749	-	-
Bond proceeds	-	-	-	-	-	3,710,000
Bond premium	-	-	-	-	-	154,328
Bond refunding	-	-	-	-	-	(3,540,000)
Payment to escrow agent	-	-	-	-	-	(247,367)
Total other financing sources (uses)	2,982,987	(1,555,867)	(343,536)	1,698,442	2,782,026	1,912,651
Net change in fund balance	(18,117)	(2,001,344)	(304,911)	(62,603)	(2,386,975)	(1,129,807)
Fund balance, beginning of year	6,002	11,447,933	2,647,563	1,840,185	15,941,683	17,071,490
Fund balance, end of year	\$ (12,115)	9,446,589	2,342,652	1,777,582	13,554,708	15,941,683

The Notes to Basic Financial Statements are an integral part of this statement

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds**  
**For the Year Ended November 30, 2018**  
**(With Comparative Figures for the Year Ended November 30, 2017)**

**Reconciliation to Statement of Activities:**

Net change in fund balances - governmental funds	\$ (2,386,975)	(1,129,807)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Repayment of debt principal is an expenditure in the governmental funds but the repayment is not reported as an expense in the Statement of Activities:

Bond proceeds	-	(3,710,000)
Bond refunding	-	3,540,000
Bond principal payments	<u>1,435,000</u>	<u>1,360,000</u>

Change in net position of governmental activities	<u>\$ (951,975)</u>	<u>60,193</u>
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## ***NOTES TO BASIC FINANCIAL STATEMENTS***

## LASALLE COUNTY SELF-INSURANCE TRUST

### Notes Basic to Financial Statements For the Year Ended November 30, 2018

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#### Note 1: Summary of Significant Accounting Policies

Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

##### *A. Reporting Entity*

The LaSalle County Self-Insurance Trust is a separate, autonomous, special purpose Trust located in LaSalle County, Illinois. The Trust is governed by a seven-member board appointed by the County. The Trust was organized to provide self-funded insurance coverage to the County of LaSalle.

The Fund is accounted for as a component unit of LaSalle County, Illinois, and the ultimate financial accountability for the Trust remains with LaSalle County. The Trust's management is responsible for managing the operation and the financing of the uninsured risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; medical malpractice; environmental claims; unemployment; and natural disasters of the County.

The financial statements present only the Self Insurance Trust component unit as one of the funds of LaSalle County and are not intended to present the balances and activity of LaSalle County in its entirety. Separate financial statements of LaSalle County are prepared and are located in County of LaSalle Clerk's Office at 707 East Etna Road, Ottawa, IL 61350.

##### *B. Fund Accounting*

The accounts of the Trust are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Trust resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The various funds are grouped, in the financial statements in this report, into fund types and broad fund categories as follows:

Governmental Fund Types:

General (Claims) Fund – A major fund, the Claims Fund is used to disburse claims.

Principal Fund – A major fund, the Principal Fund holds bond proceeds of the Trust.

Premium Reserve Fund – A major fund, the Premium Reserve Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for claims.

## LASALLE COUNTY SELF-INSURANCE TRUST

### Notes Basic to Financial Statements For the Year Ended November 30, 2018

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#### Note 1: Summary of Significant Accounting Policies – (Continued)

##### *B. Fund Accounting – (continued)*

Earnings Fund – The Earnings Fund is used to account for interest earned.

Levy Abatement Fund – The Levy Abatement Fund is used to pay principal and interest debt payments.

##### *C. Basis of Accounting*

The government-wide Statement of Net Position and Statement of Activities are presented using the accrual basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues, and expenditures when they occur and not when they result from cash transactions. This basis conforms to accounting principles generally accepted in the United States of America.

As a result of the use of the accrual basis of accounting, certain assets and their related revenues and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are recorded in these financial statements.

##### *D. Investments*

Investments classified in the financial statements consist entirely of long-term investments as described in Note 3. Investments are stated at cost. Fair value measurement disclosures have been included in these financial statements for comparison purposes.

##### *E. Long-Term Liabilities*

As discussed above, the Trust prepares its government-wide financial statements on the accrual basis. When using the accrual basis, long-term obligations are reported in the government-wide financial statements. The Trust also prepares its fund financial statements on the modified accrual basis. On the modified accrual basis, long-term obligations are not reflected in the fund financial statements.

##### *F. Net Position*

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Trust or through external restrictions imposed by creditors, grantors or law or regulations of governments.

## LASALLE COUNTY SELF-INSURANCE TRUST

### Notes Basic to Financial Statements For the Year Ended November 30, 2018

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#### Note 2: Cash Deposits

Statutes authorize the Trust to invest in: 1) securities guaranteed by the full faith and credit of the United States of America; 2) deposits or other investments constituting direct obligations of any bank as defined by the Illinois Banking Act; 3) short-term obligations of corporations organized in the United States which meet other restrictions as defined in Illinois Revised Statutes Chapter 35, Paragraph 902, as amended; 4) money market funds registered under the Investment Company Act of 1940; 5) short-term discount obligations of the federal national mortgage Association; 6) shares or other forms of securities legally issuable by saving and loan associations; 7) various share accounts of a credit union chartered under the laws of the State of Illinois or the laws of the United States provided the principal office of any such credit union is located within the State of Illinois; 8) a Public Treasurer's Investment Pool created under Section 17 of "An Act to revise the law in relation to the State Treasurer", approved April 23, 1873, as amended. Bank and savings and loan investments may only be made in institutions which are insured by the Federal Deposit Insurance Corporation of the Federal Savings and Loan Insurance Corporation.

*Custodial credit risk deposits* - In the case of deposits; this is the risk that in the event of a bank failure, the Trust's deposits may not be returned to it. The Trust does not have a deposit policy for custodial credit risk. As of November 30, 2018, the Trust's bank balance was \$62,984 and \$0 of that amount was exposed to custodial credit risk as the entire balance was insured by the Federal Deposit Insurance Corporation.

At November 30, 2018, the carrying amount of the Trust's deposits was \$56,219.

#### Note 3: Investments

As of November 30, 2018, the Trust's investments were as follows:

	Carrying Amount (Cost)	Market Value
Municipal bonds	\$ 9,032,473	8,681,631
Government agency securities	885,929	864,867
Certificates of deposit	490,000	470,312
Treasury notes	198,851	199,350
Money markets	2,959,570	2,959,570
Total investments	<u>\$ 13,566,823</u>	<u>\$ 13,175,730</u>

#### Interest Rate Risk:

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair market value to changes in market interest rates. The Trust has no specific policy on the interest rate risk.

# LASALLE COUNTY SELF-INSURANCE TRUST

## Notes Basic to Financial Statements For the Year Ended November 30, 2018

### Note 3: Investments – (Continued)

#### Interest Rate Risk – (Continued):

Information about the sensitivity of the fair values of the Trust's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Trust's investments by maturity.

	Remaining Maturity (in Months)				
	12 Months Or Less	13-24 Months	25-60 Months	61+ Months	Total
Municipal bonds	\$ 1,573,726	1,884,539	3,057,004	2,517,204	9,032,473
Government agency securities	-	-	600,000	285,929	885,929
Certificates of deposit	-	-	490,000	-	490,000
Treasury Notes	198,851	-	-	-	198,851
Money markets	2,959,570	-	-	-	2,959,570
Total investments	<u>\$ 4,732,147</u>	<u>1,884,539</u>	<u>4,147,004</u>	<u>2,803,133</u>	<u>13,566,823</u>

#### Credit Risk:

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This measured by the assignment of a rating by a nationally recognized statistical rating organization.

Presented below is the actual rating as of year-end for each investment type:

Credit Risk Rating*		Total
S&P	Moody's	
AAA	Aaa	\$ 277,350
AA+	Aa1	1,215,680
AA	Aa2	5,457,924
AA-	Aa3	1,342,300
A+	A1	360,478
A-	A3	205,624
Not Rated		1,059,046
U.S. Gov't Backed Money		
Market Accounts		2,959,570
U.S. Treasury Notes		198,851
Certificate of Deposit		490,000
Total Investments		<u>\$ 13,566,823</u>

\*Not all securities are rated by both Standard & Poor's and Moody's. Both scales are presented for comparability.

## LASALLE COUNTY SELF-INSURANCE TRUST

### Notes Basic to Financial Statements For the Year Ended November 30, 2018

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#### **Note 3: Investments – (Continued)**

##### Credit Risk – (Continued):

The Trust elects to show U.S. Government back money market accounts as investments for financial statement purposes.

##### Concentration of Credit Risk:

The Trust has no investments, other than mutual funds that are exempted from this requirement, in any other issuer that represents 5% or more of the total Trust's investments. The Trust has no formal concentration of credit risk policy.

##### Custodial Credit Risk:

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. The Trust has no formal custodial credit risk policy.

As of November 30, 2018, there are no investments with custodial credit risk.

##### Foreign Currency Risk:

The Trust has no foreign currency risk for investments at year end. The Trust has no formal policy related to foreign currency risk.

#### **Note 4: Fair Value Measurements**

For disclosure purposes, the Trust categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable units.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Trust's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.



# LASALLE COUNTY SELF-INSURANCE TRUST

## Notes Basic to Financial Statements For the Year Ended November 30, 2018

### Note 4: Fair Value Measurements – (Continued)

Investments measured at fair value (for disclosure purposes only) on a recurring basis are disclosed below:

	Balance at November 30, 2017	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash & Money Market	\$ 2,959,570	2,959,570	-	-
Municipal Bonds	9,032,473	-	9,032,473	-
Gov't Agency Securities	885,929	885,929	-	-
Treasury Notes	198,851	-	198,851	-
Negotiable Certificates of Deposit	490,000	-	490,000	-
Total County Investments	<u>\$ 13,566,823</u>	<u>3,845,499</u>	<u>9,721,324</u>	<u>-</u>

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are as follows:

**Level 1 Inputs:** Valuation based on quoted prices in active markets for identical assets or liabilities that a reporting entity has the ability to access at the measurement date, and where transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

**Level 2 Inputs:** Valuation based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, that is markets in which there are few transactions, prices are not current, or prices vary substantially over time.

**Level 3 Inputs:** Valuation based on inputs that are unobservable for an asset or liability and shall be used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

### Note 5: Certification of Reserve

The reserve balances have been audited as of November 30, 2018 pursuant to Illinois Compiled Statutes, Chapter 745 Civil Immunities, Act 10 Local Governmental and Governmental Employee-Tort-Immunity Act, Section 9-103 (745ILCS 10/9 – 103).

## LASALLE COUNTY SELF-INSURANCE TRUST

### Notes Basic to Financial Statements For the Year Ended November 30, 2018

#### Note 6: Debt Service Schedules

The following is a summary of debt transactions for the governmental activities of the Trust for the year ended November 30, 2018:

Description	Balance Nov. 30, 2017	Additions	Payments	Balance Nov. 30, 2018	Due within 1 year
Series 2011 Bonds	\$ 1,825,000	-	585,000	1,240,000	610,000
Series 2013 Bonds	7,055,000	-	805,000	6,250,000	825,000
Series 2017 Refunding Bonds	3,710,000	-	45,000	3,665,000	35,000
	<u>\$ 12,590,000</u>	<u>-</u>	<u>1,435,000</u>	<u>11,155,000</u>	<u>1,470,000</u>

On March 14, 2011 the Trust issued Series 2011 Bonds in the amount of \$6,485,000. During the fiscal year 2017, the Series 2011 Bonds were partially refunded in the amount of \$3,540,000 with the issuance of Series 2017 Refunding Bonds in the amount of \$3,710,000. The refunding effectively established a fixed interest rate on the bonds of 3.5%. Interest is payable semi-annually on June 1 and December 1, with the principal payable on December 1 each year. As of November 30, 2018, the outstanding balance of the bonds is \$1,240,000. The annual requirements to amortize the unrefunded bonded debt as of November 30, 2018 are as follows:

#### **Debt Service Schedule - Series 2011 Bonds**

Date	Principal	Coupon	Interest	Total P & I
12/1/2018	\$ 610,000	3.50	21,700	631,700
6/1/2019	-	-	11,025	11,025
12/1/2019	<u>630,000</u>	3.50	<u>11,025</u>	<u>641,025</u>
Total:	<u>\$ 1,240,000</u>		<u>43,750</u>	<u>1,283,750</u>

On May 9, 2013 the Trust issued Series 2013 Bonds in the amount of \$8,960,000. As of November 30, 2018, the outstanding balance of the bonds is \$6,250,000. The bonds bear a variable interest rate that ranges from 2.00% to 3.40%. Interest is payable semi-annually on June 1 and December 1, with the principal payable on December 1 each year. The annual requirements to amortize bonded debt as of November 30, 2018 are as follows:

**LASALLE COUNTY SELF-INSURANCE TRUST****Notes Basic to Financial Statements  
For the Year Ended November 30, 2018****Note 6: Debt Service Schedules – (Continued)**

<b>Debt Service Schedule - Series 2013 Bonds</b>				
<b>Date</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Total P &amp; I</b>
12/1/2018	\$ 825,000	2.00	89,415	914,415
6/1/2019	-	-	81,165	81,165
12/1/2019	840,000	2.35	81,165	921,165
6/1/2020	-	-	71,295	71,295
12/1/2020	865,000	2.70	71,295	936,295
6/1/2021	-	-	59,618	59,618
12/1/2021	885,000	3.00	59,617	944,617
6/1/2022	-	-	46,343	46,343
12/1/2011	915,000	3.15	46,342	961,342
6/1/2023	-	-	31,931	31,931
12/1/2023	945,000	3.25	31,931	976,931
6/1/2024	-	-	16,575	16,575
12/1/2024	975,000	3.40	16,575	991,575
Total:	<u>\$ 6,250,000</u>		<u>703,267</u>	<u>6,953,267</u>

On July 20, 2017 the Trust issued Series 2017, General Obligation Refunding Bonds in the principal amount of \$3,710,000 to refund a portion of 2011 Bonds. As of November 30, 2018, the bonds had an outstanding balance of \$3,710,000. The bonds bear a variable interest rate ranging from 2% to 3%. Principal and interest will be payable annually on December 1. The annual requirements to amortize bonded debt as of November 30, 2017 are as follows:

<b>Debt Service Schedule - Series 2017 Refunding Bonds</b>				
<b>Date</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Total P &amp; I</b>
12/1/2018	\$ 35,000	2.00	51,188	86,188
6/1/2019	-	-	50,837	50,837
12/1/2019	35,000	2.00	50,838	85,838
6/1/2020	-	-	50,487	50,487
12/1/2020	680,000	2.50	50,488	730,488
6/1/2021	-	-	41,987	41,987
12/1/2021	695,000	2.50	41,988	736,988
6/1/2022	-	-	33,300	33,300
12/1/2022	715,000	3.00	33,300	748,300
6/1/2023	-	-	22,575	22,575
12/1/2023	745,000	3.00	22,575	767,575
6/1/2024	-	-	11,400	11,400
12/1/2024	760,000	3.00	11,400	771,400
Total:	<u>\$ 3,665,000</u>		<u>472,363</u>	<u>4,137,363</u>

## LASALLE COUNTY SELF-INSURANCE TRUST

### Notes Basic to Financial Statements For the Year Ended November 30, 2018

#### Note 6: Debt Service Schedule – (Continued)

The annual requirements to amortize all bonded debt as of November 30, 2018 is summarized below:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total P &amp; I</u>
2019	\$ 1,470,000	305,330	1,775,330
2020	1,505,000	264,810	1,769,810
2021	1,545,000	223,388	1,768,388
2022	1,580,000	181,248	1,761,248
2023	1,630,000	134,148	1,764,148
2024	1,690,000	142,481	1,832,481
2025	1,735,000	27,975	1,762,975
Total:	<u>\$11,155,000</u>	<u>1,279,380</u>	<u>12,434,380</u>

All debt service payments are made from the Levy-Abatement Fund.

#### Note 7: Transfers

Interfund transfers consist of transfers of investment earnings to the Levy Abatement Fund for the payment of interest on the outstanding bonds. Other material transfers from the Principal Fund and the Premium Fund to the Claims Fund for the payment of outstanding claims.

Interfund transfers for the year ended November 30, 2018 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
Claims Fund	\$ 2,982,987	-
Principal Fund	710,000	3,344,736
Premium Fund	151,000	860,000
Non-Major Funds	<u>721,520</u>	<u>360,771</u>
Total	<u>\$ 4,565,507</u>	<u>\$ 4,565,507</u>

#### Note 8: Stop Loss Limitations

The stop loss limitations for the Trust are as follows:

Property	\$ 50,000
Malpractice	50,000
General Liability	250,000
Workman's Compensation	500,000

## LASALLE COUNTY SELF-INSURANCE TRUST

### Notes Basic to Financial Statements For the Year Ended November 30, 2018

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#### Note 9: Fund Balance Reporting

According to Government Accounting Standards, fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. Below are definitions of how these balances are reported:

##### 1. Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts. The Trust has no nonspendable fund balances.

##### 2. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Restrictions may be imposed by creditors, grantors, contributors, or law and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The Trust has revenue sources received within different funds that are restricted. The restricted balance was \$13,566,823 as of November 30, 2018.

##### 3. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the Insurance Trust Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it's employed to previously commit those amounts.

The Insurance Trust Board commits fund balances by making motions or passing resolutions to adopt policy or to approve contracts. Committed fund balances incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for the use in satisfying those contractual requirements.

The Trust has no committed fund balances at November 30, 2018.

##### 4. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the Insurance Trust Board itself or (b) the finance committee when the Insurance Trust Board delegated the authority to assign amounts to be used for specific purposes. The Trust has no balances that are assigned at year end.

## LASALLE COUNTY SELF-INSURANCE TRUST

### Notes Basic to Financial Statements For the Year Ended November 30, 2018

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#### **Note 9: Fund Balance Reporting – (Continued)**

##### 5. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General (Claims) Fund for amounts that have not been restricted, committed, or assigned for specific purposes within the General (Claims) Fund. Expenditures exceeded revenues in the General (Claims) Fund in 2019, resulting in a fund balance deficit of \$12,115.

##### 6. Expenditures of Fund Balance

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, net assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

#### **Note 10: Claims Incurred But Not Reported**

The Self-Insurance Trust has refrained from reporting a liability for claims incurred but not reported because the claims are not probable and estimable. However, it is likely that there were claims incurred during the year that are not reported as of November 30, 2018.

#### **Note 11: Subsequent Events**

Management evaluated subsequent events through April 18, 2019, the date the financial statements were available to be issued. No amounts were required to be recorded or disclosed in the financial statements as of November 30, 2018 as a result of events occurring between December 1, 2018 and April 18, 2019.

***REQUIRED SUPPLEMENTARY INFORMATION***

**LASALLE COUNTY SELF-INSURANCE TRUST  
GENERAL (CLAIMS) FUND**

**Statement of Assets, Liabilities and Fund Balance  
November 30, 2018  
(With Comparative Figures as of November 30, 2017)**

		November 30,	
		2018	2017
<u>Assets</u>			
Cash in bank		\$ 56,219	84,211
Total assets		<u>\$ 56,219</u>	<u>84,211</u>
<u>Liabilities and Fund Balance</u>			
Liabilities:			
Claims payable		\$ 68,334	78,209
Total liabilities		<u>68,334</u>	<u>78,209</u>
Fund balance (deficit) - unassigned		<u>(12,115)</u>	<u>6,002</u>
Total liabilities fund balance (deficit)		<u>\$ 56,219</u>	<u>84,211</u>



**LASALLE COUNTY SELF-INSURANCE TRUST  
GENERAL (CLAIMS) FUND**

**Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the Year Ended November 30, 2018  
(With Comparative Figures as of November 30, 2017)**

	Original Budget	Final Budget	Year Ended November 30,	
			2018	2017
Revenues:				
Other (restitution)	\$ -	-	68,394	31,110
Total revenues	-	-	68,394	31,110
Expenditures:				
Insurance claims	1,700,000	3,700,000	3,069,498	927,913
Total expenditures	1,700,000	3,700,000	3,069,498	927,913
Excess of revenue over (under) expenditures	(1,700,000)	(3,700,000)	(3,001,104)	(896,803)
Other financing sources (uses):				
Transfers from Principal Fund	-	-	2,832,987	600,000
Transfers from Premium Reserve Fund	-	-	150,000	200,000
Total other financing sources (uses)	-	-	2,982,987	800,000
Net change in fund balance	<u>\$ (1,700,000)</u>	<u>(3,700,000)</u>	<u>(18,117)</u>	<u>(96,803)</u>
Fund balance, beginning of year			6,002	102,805
Fund balance (deficit), end of year			<u>\$ (12,115)</u>	<u>6,002</u>

**LASALLE COUNTY SELF-INSURANCE TRUST  
PRINCIPAL FUND**

**Statement of Assets, Liabilities, and Fund Balance  
November 30, 2018  
(With Comparative Figures as of November 30, 2017)**

		November 30,	
		2018	2017
<u>Assets</u>			
Investments		\$ 9,446,589	11,447,933
Total assets		<u>\$ 9,446,589</u>	<u>11,447,933</u>
<u>Fund Balance</u>			
Fund balance - restricted		\$ 9,446,589	11,447,933
Total Fund balance		<u>\$ 9,446,589</u>	<u>11,447,933</u>

**LASALLE COUNTY SELF-INSURANCE TRUST  
PRINCIPAL FUND**

**Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the Year Ended November 30, 2018  
(With Comparative Figures for the Year Ended November 30, 2017)**

	Original Budget	Final Budget	Year Ended November 30,	
			2018	2017
Revenues:				
Interest Income	\$ -	-	361,433	394,645
Realized gain (loss) on investment	(80,000)	(80,000)	(101,758)	(58,428)
Total revenue	(80,000)	(80,000)	259,675	336,217
Expenditures:				
Administrative and advisory fees	123,000	123,000	182,744	167,275
Miscellaneous fees	2,000	2,000	2,825	1,938
Insurance premiums	595,000	595,000	519,583	511,752
Bond issuance costs	-	-	-	72,915
Total expenditures	720,000	720,000	705,152	753,880
Excess of revenues over (under) expenditures	(800,000)	(800,000)	(445,477)	(417,663)
Other financing sources (uses):				
Transfer to Claims Fund	-	-	(2,832,987)	(600,000)
Transfer to Earnings Fund	-	-	(360,749)	(394,523)
Transfer to Premium Reserve Fund	-	-	(151,000)	(200,000)
Transfer to Abatement Fund	-	-	-	(4,047)
Transfer from Premium Reserve Fund	-	-	710,000	54,000
Contribution from County	-	1,078,869	1,078,869	-
Bond proceeds	-	-	-	3,710,000
Bond issuance premium	-	-	-	154,328
2011 bond refunding	-	-	-	(3,540,000)
Payment to escrow agent	-	-	-	(247,367)
Total other financing sources (uses)	-	1,078,869	(1,555,867)	(1,067,609)
Net change in fund balance	<u>\$ (800,000)</u>	<u>\$ 278,869</u>	(2,001,344)	(1,485,272)
Fund balance, beginning of year			11,447,933	12,933,205
Fund balance, end of year			<u>\$ 9,446,589</u>	<u>11,447,933</u>

**LASALLE COUNTY SELF-INSURANCE TRUST  
PREMIUM RESERVE FUND**

**Statement of Assets, Liabilities, and Fund Balance  
November 30, 2018  
(With Comparative Figures as of November 30, 2017)**

		November 30,	
		2018	2017
<u>Assets</u>			
Investments		\$ 2,342,652	2,647,563
Total assets		<u>\$ 2,342,652</u>	<u>2,647,563</u>
<u>Fund Balance</u>			
Fund balance - restricted		\$ 2,342,652	2,647,563
Total fund balance		<u>\$ 2,342,652</u>	<u>2,647,563</u>

**LASALLE COUNTY SELF-INSURANCE TRUST  
PREMIUM RESERVE FUND**

**Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the Year Ended November 30, 2018  
(With Comparative Figures for the Year Ended November 30, 2017)**

	Original Budget	Final Budget	Year Ended November 30, 2018	2017
Revenues:				
Interest Income	\$ -	-	85,792	61,323
Realized gain (loss) on investments	-	-	(35,601)	(7,495)
Reimbursements	-	-	-	11,733
Total revenue	-	-	50,191	65,561
Expenditures:				
Administrative and advisory fees	12,000	12,000	11,566	10,749
Total expenditures	12,000	12,000	11,566	10,749
Excess of revenues over (under) expenditures	(12,000)	(12,000)	38,625	54,812
Other financing sources (uses):				
Transfer to Claims Fund	-	-	(150,000)	(200,000)
Transfer to Principal Fund	-	-	(710,000)	(54,000)
Transfer from Principal Fund	-	-	151,000	200,000
Contribution from County	378,439	378,439	365,464	396,223
Total other financing sources (uses)	378,439	378,439	(343,536)	342,223
Net change in fund balance	\$ 366,439	366,439	(304,911)	397,035
Fund balance, beginning of year			2,647,563	2,250,528
Fund balance, end of year			\$ 2,342,652	2,647,563

***NOTES TO REQUIRED SUPPLEMENTARY INFORMATION***

## **LASALLE COUNTY SELF-INSURANCE TRUST**

### **Notes to Required Supplementary Information For the Year Ended November 30, 2018**

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#### **NOTE 1: BUDGETARY BASIS OF ACCOUNTING**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

The Self-Insurance Trust annual budget is included in the county-wide budget and is not subject to separate budgetary procedures.

The appropriated budget is prepared by fund, function, and department. The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

The County's fiscal year 2018 budget was adopted on November 29, 2017 and was amended on November 29, 2018.

#### **NOTE 2: BUDGETARY PROCEDURES**

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

- At the first meeting in November, the County Finance Committee submits to the County Board a proposed operating budget for the fiscal year commencing December 1. The operating budget includes proposed disbursements and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments on the proposal budget, prior to adoption.
- Formal Budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds.
- Appropriations lapse at the end of each fiscal year in accordance with Illinois Revised Statutes.
- The Finance Committee of the County Board is authorized to transfer budgeted amounts between departments within any fund; however, any revisions which change the total budgeted expenditures of any fund must be made by the County Board using the same procedures required of its original adoption.

#### **NOTE 3: EXPENDITURES IN EXCESS OF APPROPRIATIONS – MAJOR FUNDS**

Expenditures did not exceed appropriations in the major funds for the year ended November 30, 2018.

***OTHER SUPPLEMENTARY INFORMATION***



**LASALLE COUNTY SELF-INSURANCE TRUST  
NON-MAJOR GOVERNMENTAL FUNDS**

**Combining Statement of Assets, Liabilities and Fund Balance  
November 30, 2018  
(With Comparative Figures as of November 30, 2017)**

	Earnings Fund	Levy- Abatement Fund	Total November 30,	
			2018	2017
<u>Assets</u>				
Investments	\$ 2	1,777,580	1,777,582	1,840,185
Total assets	<u>\$ 2</u>	<u>1,777,580</u>	<u>1,777,582</u>	<u>1,840,185</u>
<u>Fund Balance</u>				
Fund balance - restricted	\$ 2	1,777,580	1,777,582	1,840,185
Total fund balance	<u>\$ 2</u>	<u>1,777,580</u>	<u>1,777,582</u>	<u>1,840,185</u>

**LASALLE COUNTY SELF-INSURANCE TRUST**  
**NON-MAJOR GOVERNMENTAL FUNDS**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**For the Year Ended November 30, 2018**  
**(With Comparative Figures as of November 30, 2017)**

	Earnings Funds	Levy- Abatement Fund	Total Year Ended November 30,	
			2018	2017
Revenues:				
Interest income	\$ 22	4,719	4,741	1,999
Other income	-	-	-	1,397
Total revenues	22	4,719	4,741	3,396
Expenditures:				
Bond principal	-	1,435,000	1,435,000	1,360,000
Interest expense	-	329,286	329,286	423,450
Advisory Fees	-	1,500	1,500	2,750
Total expenditures	-	1,765,786	1,765,786	1,786,200
Excess of revenues over (under) expenditures	22	(1,761,067)	(1,761,045)	(1,782,804)
Other financing sources (uses):				
Contributions from County	-	1,337,693	1,337,693	1,439,467
Transfers to (from) other funds	(22)	360,771	360,749	398,570
Total other financing sources (uses)	(22)	1,698,464	1,698,442	1,838,037
Net change in fund balance	-	(62,603)	(62,603)	55,233
Fund balance (deficit), beginning of year	2	1,840,183	1,840,185	1,784,952
Fund balance (deficit), end of year	\$ 2	1,777,580	1,777,582	1,840,185

**LASALLE COUNTY SELF-INSURANCE TRUST  
EARNINGS FUND**

**Statement of Assets, Liabilities and Fund Balance  
November 30, 2018  
(With Comparative Figures as of November 30, 2017)**

		November 30,	
		2018	2017
<u>Assets</u>			
Investments		\$ 2	2
Total assets		<u>\$ 2</u>	<u>2</u>
<u>Fund Balance</u>			
Fund balance - restricted		\$ 2	2
Total fund balance		<u>\$ 2</u>	<u>2</u>

**LASALLE COUNTY SELF-INSURANCE TRUST  
EARNINGS FUND**

**Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the Year Ended November 30, 2018  
(With Comparative Figures as of November 30, 2017)**

	Original Budget	Final Budget	Year Ended November 30,	
			2018	2017
Revenues:				
Interest income	\$ -	-	22	7
Total revenues	-	-	22	7
Expenditures:				
Fees	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenue over (under) expenditures	-	-	22	7
Other financing sources (uses):				
Transfers from Principal Fund	-	-	360,749	542,935
Transfers to Levy-Abatement Fund	-	-	(360,771)	(542,942)
Total other financing sources (uses)	-	-	(22)	(7)
Net change in fund balance	\$ -	-	-	-
Fund balance, beginning of year			2	2
Fund balance, end of year			\$ 2	2

**LASALLE COUNTY SELF-INSURANCE TRUST  
LEVY-ABATEMENT FUND**

**Statement of Assets, Liabilities and Fund Balance  
November 30, 2018  
(With Comparative Figures as of November 30, 2017)**

		November 30,	
		2018	2017
<u>Assets</u>			
Investments		\$ 1,777,580	1,840,183
Total assets		<u>\$ 1,777,580</u>	<u>1,840,183</u>
<u>Fund Balance</u>			
Fund balance - restricted		<u>\$ 1,777,580</u>	<u>1,840,183</u>
Total liabilities fund balance		<u>\$ 1,777,580</u>	<u>1,840,183</u>

**LASALLE COUNTY SELF-INSURANCE TRUST  
LEVY-ABATEMENT FUND**

**Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the Year Ended November 30, 2018  
(With Comparative Figures as of November 30, 2017)**

	Original Budget	Final Budget	Year Ended November 30,	
			2018	2017
Revenues:				
Interest income	\$ -	-	4,719	1,984
Other income	-	-	-	1,397
Total revenues	-	-	4,719	3,381
Expenditures:				
Bond principal	1,435,000	1,435,000	1,435,000	1,360,000
Interest expense	329,286	329,286	329,286	423,450
Fees	48,000	48,000	1,500	2,750
Total expenditures	1,812,286	1,812,286	1,765,786	1,786,200
Excess of revenue over (under) expenditures	(1,812,286)	(1,812,286)	(1,761,067)	(1,782,819)
Other financing sources (uses):				
Transfer to Principal Fund	-	-	-	4,047
Transfer from Earnings Fund	-	-	360,771	394,538
Contribution from County	1,385,847	1,385,847	1,337,693	1,439,467
Total other financing sources (uses)	1,385,847	1,385,847	1,698,464	1,838,052
Net change in fund balance	<u>\$ (426,439)</u>	<u>(426,439)</u>	(62,603)	55,233
Fund balance, beginning of year			1,840,183	1,784,950
Fund balance, end of year			<u>\$ 1,777,580</u>	<u>1,840,183</u>