

LASALLE COUNTY, ILLINOIS

SELF-INSURANCE TRUST

ANNUAL FINANCIAL REPORT

NOVEMBER 30, 2018

Prepared by:



CERTIFIED PUBLIC ACCOUNTANTS

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LASALLE COUNTY SELF-INSURANCE TRUST

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INDEPENDENT AUDITORS' REPORT

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**

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 the 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**

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

| | Governmental Activities | | % Change 2017-2018 |
|-------------------------------------|-------------------------|------------------|-----------------------|
| | 2018 | 2017 | |
| 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 | - | (93,039) | -100.00% |
| 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

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 | <u>3,665,000</u> | <u>3,710,000</u> |
| 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 |

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

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

Reconciliation to the Statement of Net Position:

| | | |
|--|---------------|--------------|
| Fund balance - governmental funds | \$ 13,554,708 | 15,941,683 |
| 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 | \$ 2,399,708 | 3,351,683 |

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 | | | Non-Major Funds | Total November 30, | |
|--|--------------------|--------------------|------------------|------------------|--------------------|-------------------|
| | General (Claims) | Principal | Premium Reserve | | 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 | - | 3,710,000 |
| Bond proceeds | - | - | - | - | - | 154,328 |
| Bond premium | - | - | - | - | - | (3,540,000) |
| Bond refunding | - | - | - | - | - | (247,367) |
| Payment to escrow agent | - | - | - | - | - | - |
| 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) |
|--|----------------|-------------|

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 | 1,435,000 1,360,000 |

| | |
|---|---------------------|
| Change in net position of governmental activities | \$ (951,975) 60,193 |
|---|---------------------|

NOTES TO BASIC FINANCIAL STATEMENTS

LASALLE COUNTY SELF-INSURANCE TRUST

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

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

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

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 | \$ 4,732,147 | 1,884,539 | 4,147,004 | 2,803,133 | 13,566,823 |

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* | | |
| S&P | Moody's | Total |
| 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 | | \$ 13,566,823 |

*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

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 | \$ 13,566,823 | 3,845,499 | 9,721,324 | - |

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 |
| | <hr/> <u>\$ 12,590,000</u> | <hr/> <u>-</u> | <hr/> <u>1,435,000</u> | <hr/> <u>11,155,000</u> | <hr/> <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><hr/>\$ 1,240,000</u> | | <u><hr/>43,750</u> | <u><hr/>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)

Debt Service Schedule - Series 2013 Bonds

| Date | Principal | Coupon | Interest | Total P & I |
|-----------|---------------------|--------|----------------|------------------|
| 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 |
| 12/1/2022 | 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:

Debt Service Schedule - Series 2017 Refunding Bonds

| Date | Principal | Coupon | Interest | Total P & I |
|-----------|---------------------|--------|----------------|------------------|
| 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:

| Year | Principal | Interest | Total P & I |
|--------|---------------------|------------------|-------------------|
| 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:

| | Transfers In | Transfers Out |
|-----------------|---------------------|---------------------|
| 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

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

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 | (12,115) | 6,002 |
| 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 | \$ (1,700,000) | (3,700,000) | (18,117) | (96,803) |
| Fund balance, beginning of year | | | 6,002 | 102,805 |
| Fund balance (deficit), end of year | | | \$ (12,115) | 6,002 |

**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 | Year Ended November 30, 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 | \$ (800,000) | \$ 278,869 | (2,001,344) | (1,485,272) |
| Fund balance, beginning of year | | | 11,447,933 | 12,933,205 |
| Fund balance, end of year | | | \$ 9,446,589 | 11,447,933 |

**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 | Year Ended November 30, 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 | <u>\$ 366,439</u> | <u>366,439</u> | (304,911) | 397,035 |
| Fund balance, beginning of year | | | 2,647,563 | 2,250,528 |
| Fund balance, end of year | | | <u>\$ 2,342,652</u> | <u>2,647,563</u> |

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

LASALLE COUNTY SELF-INSURANCE TRUST

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

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 devise 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 | \$ 1,777,580 | 1,840,183 |
| 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 | \$ (426,439) | (426,439) | (62,603) | 55,233 |
| Fund balance, beginning of year | | | 1,840,183 | 1,784,950 |
| Fund balance, end of year | | | \$ 1,777,580 | 1,840,183 |