

LASALLE COUNTY SELF-INSURANCE TRUST
OTTAWA, ILLINOIS
ANNUAL FINANCIAL REPORT
NOVEMBER 30, 2015



Prepared by:

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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, Illinois' Self-Insurance Trust, as of and for the year ended November 30, 2015, 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 an opinion 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 opinion.

Opinion

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, Illinois' Self-Insurance Trust as of November 30, 2015, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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, Illinois' Self-Insurance Trust, for the year ended November 30, 2014, which are presented for comparison purposes with the accompanying financial statements. In our report dated February 26, 2015, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information.

Required Supplementary Information

The Insurance Trust has not presented the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

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.

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

March 1, 2016
Morris, Illinois

BASIC FINANCIAL STATEMENTS

LASALLE COUNTY SELF-INSURANCE TRUST

Government-wide Statement of Net Position

November 30, 2015

(With Comparative Figures as of November 30, 2014)

	<u>Governmental Activities</u>	
	2015	2014
<u>Assets</u>		
Cash in bank	\$ 126,088	189,654
Investments	<u>17,756,950</u>	<u>18,854,241</u>
Total assets	\$ 17,883,038	19,043,895
<u>Liabilities</u>		
Current Liabilities:		
Accounts payable	\$ -	125,473
Claims payable	<u>76,372</u>	<u>150,000</u>
Total current liabilities	76,372	275,473
Long-term Liabilities:		
Due in one year	1,325,000	1,315,000
Due within more than one year	<u>13,780,000</u>	<u>15,105,000</u>
Total long term liabilities	15,105,000	16,420,000
Total liabilities	15,181,372	16,695,473
<u>Net Position</u>		
Restricted Net Position	<u>2,701,666</u>	<u>2,348,422</u>
Total Liabilities and Net Position	\$ 17,883,038	19,043,895

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, 2015
(With Comparative Figures for the Year Ended November 30, 2014)

Program Activities	Expenditures	Program	Net (Expense) Revenue And Changes in Net Position	
		Revenues		
		Fees and Charges for Services		
			Total	
			2015	2014
Governmental activities:				
Administrative	\$ 1,970,978	-	(1,970,978) (2,280,482)	
Total governmental activities	\$ 1,970,978	-	(1,970,978) (2,280,482)	
General revenues:				
Interest on investments		500,317	574,566	
Realized gain (loss) on investments		(99,796)	(12,834)	
County Contribution		1,782,400	1,809,356	
Other		141,301	361,397	
Total general revenues		2,324,222	2,732,485	
Change in net position		353,244	452,003	
Net position at beginning of year		2,348,422	1,896,419	
Net position at end of year	\$ 2,701,666		2,348,422	

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, 2015

(With Comparative Figures as of November 30, 2014)

	Major Funds			Total	
	Principal	Premium Reserve	Non-Major Funds	November 30, 2015	2014
Assets					
Cash in bank	\$ -	-	126,088	126,088	189,654
Investments	14,067,892	1,906,114	1,782,944	17,756,950	18,854,241
Total Assets	\$ 14,067,892	1,906,114	1,909,032	17,883,038	19,043,895
 Liabilities and Fund Balance					
Liabilities:					
Accounts Payable	\$ -	-	-	-	125,473
Claims Payable	-	-	76,372	76,372	150,000
Total Liabilities	-	-	76,372	76,372	275,473
Fund balance:					
Restricted	14,067,892	1,906,114	1,832,660	17,806,666	18,768,422
Total Fund Balances	14,067,892	1,906,114	1,832,660	17,806,666	18,768,422
Total Liabilities and Fund Balances	\$ 14,067,892	1,906,114	1,909,032	17,883,038	19,043,895

Reconciliation to the Statement of Net Position:

Fund balance - governmental funds	\$ 17,806,666	18,768,422
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	(15,105,000)	(16,420,000)
Net position of governmental activities	\$ 2,701,666	2,348,422

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, 2015
(With Comparative Figures for the Year Ended November 30, 2014)

	Major Funds		Non-Major Funds	Total November 30,	
	Principal	Premium Reserve		2015	2014
Revenues:					
Interest Income	\$ 457,729	42,022	566	500,317	574,566
Realized gain (loss) on investments	(74,222)	(25,574)	-	(99,796)	(12,834)
Other (restitution)	-	-	141,301	141,301	361,397
Total revenues	383,507	16,448	141,867	541,822	923,129
Expenditures:					
Administrative/claims	622,789	8,917	846,666	1,478,372	1,761,959
Bond Principal	-	-	1,315,000	1,315,000	940,000
Bond Interest	-	-	492,606	492,606	518,523
Total expenditures	622,789	8,917	2,654,272	3,285,978	3,220,482
Excess of revenues over (under) expenditures	(239,282)	7,531	(2,512,405)	(2,744,156)	(2,297,353)
Other financing sources (uses):					
Contributions from County	-	469,473	1,312,927	1,782,400	1,809,356
Transfers from (to) other funds	(997,593)	(280,976)	1,278,569	-	-
Total other financing sources (uses)	(997,593)	188,497	2,591,496	1,782,400	1,809,356
Net change in fund balance	(1,236,875)	196,028	79,091	(961,756)	(487,997)
Fund balance, beginning of year	15,304,767	1,710,086	1,753,569	18,768,422	19,256,419
Fund balance, end of year	\$ 14,067,892	1,906,114	1,832,660	17,806,666	18,768,422

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, 2015
(With Comparative Figures for the Year Ended November 30, 2014)

Reconciliation to Statement of Activities:

Net change in fund balances - governmental funds	\$ (961,756)	(487,997)
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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:

Capital debt obligation principal payments	<u>1,315,000</u>	<u>940,000</u>
Change in net position of governmental activities	<u>\$ 353,244</u>	<u>452,003</u>

NOTES TO BASIC FINANCIAL STATEMENTS

LASALLE COUNTY SELF-INSURANCE TRUST

Notes Basic to Financial Statements For the Year Ended November 30, 2015

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 was organized to provide self-funded insurance coverage to the County of LaSalle.

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:

Principal Fund – A major fund, the Principal Fund holds bond proceeds to 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 premiums.

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

Claims Fund – The Claims Fund is used to disburse claims.

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.

LASALLE COUNTY SELF-INSURANCE TRUST

Notes Basic to Financial Statements For the Year Ended November 30, 2015

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

C. Basis of Accounting - (continued)

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. 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.

E. 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.

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. As of November 30, 2015, the Trust's bank balance was \$132,013 and \$0 of that amount was exposed to custodial credit risk.

At November 30, 2015, the carrying amount of the Trust's deposits was \$126,088.

LASALLE COUNTY SELF-INSURANCE TRUST

Notes Basic to Financial Statements For the Year Ended November 30, 2015

Note 3: Investments

As of November 30, 2015, the Trust's investments were as follows:

	Carrying Amount	Market Value
Municipal bonds	\$ 15,456,804	\$ 15,456,804
Money markets	2,300,146	2,300,146
Total investments	\$ 17,756,950	\$ 17,756,950

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 at year-end.

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	\$ 1,136,216	2,184,938	6,750,466	5,385,184	15,456,804

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.

LASALLE COUNTY SELF-INSURANCE TRUST

Notes Basic to Financial Statements For the Year Ended November 30, 2015

Note 3: Investments – (Continued)

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

<u>Total as of November 30, 2015</u>	
AAA	\$ 799,117
AA+	1,568,866
AA	4,041,954
AA-	1,726,525
Aa2	2,055,755
Aa3	547,171
A+	1,397,295
A	901,132
A-	681,645
A1	595,087
BBB+	46,370
Baa1	4,637
U.S. Gov't Backed Money	
Market Accounts	2,300,146
Not Rated	1,091,250
	<u>\$ 17,756,950</u>

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.

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.

As of November 30, 2015 there are no investments with custodial credit risk.

Foreign Currency Risk:

The Trust has no foreign currency risk for investments at year end.

LASALLE COUNTY SELF-INSURANCE TRUST

Notes Basic to Financial Statements For the Year Ended November 30, 2015

Note 4: Certification of Reserve

The reserve balances have been audited as of November 30, 2015 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)

Note 5: Debt Service Schedule

The following is a summary of debt transactions for the governmental activities of the Trust for the year ended November 30, 2015:

Description	Balance		Payments	Balance	Due
	Nov. 30,	2014			within 1
Series 2004					
Bonds	\$ 975,000		-	975,000	-
Series 2011					
Bonds	6,485,000		-	6,485,000	550,000
Series 2013					
Bonds	8,960,000		-	340,000.00	8,620,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 16,420,000		-	1,315,000	15,105,000

LASALLE COUNTY SELF-INSURANCE TRUST

Notes Basic to Financial Statements
For the Year Ended November 30, 2015

Note 5: Debt Service Schedule – (Continued)

Debt Service Schedule - Series 2011 Bonds				
Date	Principal	Coupon	Interest	Total P & I
12/1/2015	\$ 550,000	3.00	122,835	672,835
6/1/2016	-	-	114,585	114,585
12/1/2016	570,000	3.00	114,585	684,585
6/1/2017	-	-	106,035	106,035
12/1/2017	585,000	3.50	106,035	691,035
6/1/2018	-	-	95,798	95,798
12/1/2018	610,000	3.50	95,798	705,798
6/1/2019	-	-	85,123	85,123
12/1/2019	630,000	3.50	85,123	715,123
6/1/2020	-	-	74,098	74,098
12/1/2020	650,000	3.75	74,098	724,098
6/1/2021	-	-	61,910	61,910
12/1/2021	675,000	4.00	61,910	736,910
6/1/2022	-	-	48,410	48,410
12/1/2022	705,000	4.20	48,410	753,410
6/1/2023	-	-	33,605	33,605
12/1/2023	740,000	4.40	33,605	773,605
6/1/2024	-	-	17,325	17,325
12/1/2024	770,000	4.50	17,325	787,325
Total:	<u>\$ 6,485,000</u>		<u>1,396,613</u>	<u>7,881,613</u>

LASALLE COUNTY SELF-INSURANCE TRUST

**Notes Basic to Financial Statements
For the Year Ended November 30, 2015**

Note 5: Debt Service Schedule – (Continued)

Debt Service Schedule - Series 2013 Bonds

Date	Principal	Coupon	Interest	Total P & I
12/1/2015	\$ 775,000	2.00	113,115	888,115
6/1/2016	-	-	105,365	105,365
12/1/2016	790,000	2.00	105,365	895,365
6/1/2017	-	-	97,465	97,465
12/1/2017	805,000	2.00	97,465	902,465
6/1/2018	-	-	89,415	89,415
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:	\$ 8,620,000		1,311,457	9,931,457

LASALLE COUNTY SELF-INSURANCE TRUST

Notes Basic to Financial Statements For the Year Ended November 30, 2015

Note 6: Transfers

	Transfers	Transfers
	In	Out
Major Funds:		
Principal Fund	\$ 12,500	\$ 1,010,093
Premium Fund	386,524	667,500
Non-Major Funds	<u>1,742,992</u>	<u>464,423</u>
Total	<u>\$ 2,142,016</u>	<u>\$ 2,142,016</u>

Note 7: 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	450,000

Note 8: 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. Things such as restrictions 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 for the following purposes:

Restricted for Insurance	\$17,806,666
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LASALLE COUNTY SELF-INSURANCE TRUST

Notes Basic to Financial Statements For the Year Ended November 30, 2015

Note 8: Fund Balance Reporting – (Continued)

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, 2015.

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.

5. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Fund for amounts that have not been restricted, committed, or assigned for specific purposes within the General Fund.

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.

OTHER SUPPLEMENTARY INFORMATION

LASALLE COUNTY SELF-INSURANCE TRUST
PRINCIPAL FUND

Statement of Assets, Liabilities, and Fund Balances
November 30, 2015
(With Comparative Figures as of November 30, 2014)

	November 30,	
	2015	2014
<u>Assets</u>		
Investments	\$ 14,067,892	<u>15,304,767</u>
Total assets	<u>\$ 14,067,892</u>	<u>15,304,767</u>
<u>Fund Balance</u>		
Fund balance - restricted	\$ 14,067,892	<u>15,304,767</u>
Total Fund balance	<u>\$ 14,067,892</u>	<u>15,304,767</u>

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

**Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended November 30, 2015
(With Comparative Figures for the Year Ended November 30, 2014)**

	<u>Year Ended November 30,</u>	
	<u>2015</u>	<u>2014</u>
Revenues:		
Interest Income	\$ 457,729	539,552
Realized gain (loss) on investment	(74,222)	(12,834)
Miscellaneous	-	88
Total revenue	383,507	526,806
Expenditures:		
Administrative and advisory fees	149,936	138,378
Miscellaneous fees	20,472	12,333
Insurance premiums and claims	452,381	405,889
Total expenditures	622,789	556,600
Excess of revenues over (under) expenditures	(239,282)	(29,794)
Other financing sources (uses):		
Transfer to Self-Insurance Claims Fund	(171,650)	(996,564)
Transfer to Self-Insurance Earnings Fund	(451,919)	-
Transfer from (to) Self-Insurance Premium Reserve Fund	(386,524)	465,000
Transfer from (to) Levy-Abatement Fund	12,500	(535,776)
Total other financing sources (uses)	(997,593)	(1,067,340)
Net change in fund balance	(1,236,875)	(1,097,134)
Fund balance, beginning of year	15,304,767	16,401,901
Fund balance, end of year	\$ 14,067,892	15,304,767

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

**Statement of Assets, Liabilities, and Fund Balances
November 30, 2015
(With Comparative Figures as of November 30, 2014)**

	<u>November 30,</u>	
	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
Investments	\$ 1,906,114	1,710,086
Total assets	\$ 1,906,114	1,710,086
<u>Fund Balance</u>		
Fund balance - restricted	\$ 1,906,114	1,710,086
Total fund balance	\$ 1,906,114	1,710,086

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

**Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended November 30, 2015
(With Comparative Figures for the Year Ended November 30, 2014)**

	<u>Year Ended November 30,</u>	
	<u>2015</u>	<u>2014</u>
Revenues:		
Interest Income	\$ 42,022	34,974
Realized gain (loss) on investments	<u>(25,574)</u>	-
Total revenue	<u>16,448</u>	34,974
Expenditures:		
Insurance premiums	1,523	-
Administrative and advisory fees	<u>7,394</u>	5,028
Total expenditures	<u>8,917</u>	5,028
Excess of revenues over (under) expenditures	7,531	29,946
Other financing sources (uses):		
Transfer to Claims Fund	(667,500)	-
Transfer (to) from Self-Insurance Principal Fund	386,524	(465,000)
Transfer from County	<u>469,473</u>	515,718
Total other financing sources (uses)	<u>188,497</u>	50,718
Net change in fund balance	196,028	80,664
Fund balance, beginning of year	<u>1,710,086</u>	1,629,422
Fund balance, end of year	<u>\$ 1,906,114</u>	<u>1,710,086</u>

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

**Combining Statement of Assets, Liabilities and Fund Balance
November 30, 2015
(With Comparative Figures as of November 30, 2014)**

	Claims Fund	Earnings Fund	Levy- Abatement Fund	Total November 30,	
				2015	2014
Assets					
Cash in bank	\$ 126,088	-	-	126,088	189,654
Investments	-	2	1,782,942	1,782,944	1,839,388
Total assets	\$ 126,088	2	1,782,942	1,909,032	2,029,042
 Liabilities and Fund Balance					
Liabilities:					
Accounts payable	\$ -	-	-	-	125,473
Claims payable	76,372	-	-	76,372	150,000
Total liabilities	76,372	-	-	76,372	275,473
Fund balance (deficit) - restricted	49,716	2	1,782,942	1,832,660	1,753,569
Total liabilities and fund balance	\$ 126,088	2	1,782,942	1,909,032	2,029,042

**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, 2015
(With Comparative Figures as of November 30, 2014)**

	Claim Funds	Earnings Funds	Levy- Abatement Fund	Total	
				Year Ended November 30, 2015	2014
Revenues:					
Interest income	\$ -	1	565	566	40
Other (restitution)	141,301	-	-	141,301	361,309
Total revenues	141,301	1	565	141,867	361,349
Expenditures:					
Bond principal	-	-	1,315,000	1,315,000	940,000
Interest expense	-	-	492,606	492,606	518,523
Insurance premiums and claims	844,916	-	-	844,916	1,199,081
Advisory Fees	-	-	1,750	1,750	1,250
Total expenditures	844,916	-	1,809,356	2,654,272	2,658,854
Excess of revenues over (under) expenditures	(703,615)	1	(1,808,791)	(2,512,405)	(2,297,505)
Other financing sources (uses):					
Contributions from County	-	-	1,312,927	1,312,927	1,293,638
Transfers to (from) other funds	839,150	(2)	439,421	1,278,569	1,532,340
Total other financing sources (uses)	839,150	(2)	1,752,348	2,591,496	2,825,978
Net change in fund balance	135,535	(1)	(56,443)	79,091	528,473
Fund balance (deficit), beginning of year	(85,819)	3	1,839,385	1,753,569	1,225,096
Fund balance (deficit), end of year	\$ 49,716	2	1,782,942	1,832,660	1,753,569

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

**Statement of Assets, Liabilities and Fund Balance
November 30, 2015
(With Comparative Figures as of November 30, 2014)**

	<u>November 30,</u>	
	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
Cash in bank	\$ 126,088	189,654
Total assets	<u>\$ 126,088</u>	<u>189,654</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	\$ -	125,473
Claims payable	<u>76,372</u>	<u>150,000</u>
Total liabilities	<u>76,372</u>	<u>275,473</u>
Fund balance (deficit)	<u>49,716</u>	<u>(85,819)</u>
Total liabilities fund balance	<u>\$ 126,088</u>	<u>189,654</u>

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

**Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended November 30, 2015
(With Comparative Figures as of November 30, 2014)**

	Year Ended November 30,	
	2015	2014
Revenues:		
Other (restitution)	\$ 141,301	361,267
Total revenues	<u>141,301</u>	<u>361,267</u>
Expenditures:		
Insurance premiums and claims	<u>844,916</u>	<u>1,199,081</u>
Total expenditures	<u>844,916</u>	<u>1,199,081</u>
Excess of revenue over (under) expenditures	<u>(703,615)</u>	<u>(837,814)</u>
Other financing sources (uses):		
Transfers from Self-Insurance Principal Fund	171,650	996,564
Transfers from Premium Reserve Fund	<u>667,500</u>	<u>-</u>
Total other financing sources (uses)	<u>839,150</u>	<u>996,564</u>
Net change in fund balance	<u>135,535</u>	<u>158,750</u>
Fund balance(deficit), beginning of year	<u>(85,819)</u>	<u>(244,569)</u>
Fund balance (deficit), end of year	<u>\$ 49,716</u>	<u>(85,819)</u>

LASALLE COUNTY SELF-INSURANCE TRUST
EARNINGS FUND

Statement of Assets, Liabilities and Fund Balance
November 30, 2015
(With Comparative Figures as of November 30, 2014)

	November 30,	
	2015	2014
<u>Assets</u>		
Investments	\$ 2	3
Total assets	\$ 2	3
<u>Fund Balance</u>		
Fund balance - restricted	\$ 2	3
Total liabilities fund balance	\$ 2	3

LASALLE COUNTY SELF-INSURANCE TRUST
EARNINGS FUND

Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended November 30, 2015
(With Comparative Figures as of November 30, 2014)

	Year Ended November 30,	
	2015	2014
Revenues:		
Interest income	\$ 1	-
Total revenues	<u>1</u>	-
Expenditures:		
Fees	-	-
Total expenditures	<u>-</u>	-
Excess of revenue over (under) expenditures	<u>1</u>	-
Other financing sources (uses):		
Transfers from Self-Insurance Principal Fund	451,919	-
Transfers to Levy-Abatement Fund	(451,921)	-
Total other financing sources (uses)	<u>(2)</u>	-
Net change in fund balance	<u>(1)</u>	-
Fund balance, beginning of year	<u>3</u>	3
Fund balance, end of year	<u>\$ 2</u>	<u>3</u>

LASALLE COUNTY SELF-INSURANCE TRUST
LEVY-ABATEMENT FUND

Statement of Assets, Liabilities and Fund Balance
November 30, 2015
(With Comparative Figures as of November 30, 2014)

	November 30,	
	2015	2014
<u>Assets</u>		
Investments	\$ 1,782,942	1,839,385
Total assets	<u>\$ 1,782,942</u>	<u>1,839,385</u>
<u>Fund Balance</u>		
Fund balance - restricted	\$ 1,782,942	1,839,385
Total liabilities fund balance	<u>\$ 1,782,942</u>	<u>1,839,385</u>

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

**Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended November 30, 2015
(With Comparative Figures as of November 30, 2014)**

	<u>Year Ended November 30,</u>	
	<u>2015</u>	<u>2014</u>
Revenues:		
Interest income	\$ 565	40
Other	-	42
Total revenues	<u>565</u>	<u>82</u>
Expenditures:		
Bond principal	1,315,000	940,000
Interest expense	492,606	518,523
Fees	1,750	1,250
Total expenditures	<u>1,809,356</u>	<u>1,459,773</u>
Excess of revenue over (under) expenditures	<u>(1,808,791)</u>	<u>(1,459,691)</u>
Other financing sources (uses):		
Transfer (to) from Self-Insurance Principal Fund	(12,500)	535,776
Transfer from Self-Insurance Earnings Fund	451,921	-
Contribution from County	1,312,927	1,293,638
Total other financing sources (uses)	<u>1,752,348</u>	<u>1,829,414</u>
Net change in fund balance	<u>(56,443)</u>	<u>369,723</u>
Fund balance, beginning of year	<u>1,839,385</u>	<u>1,469,662</u>
Fund balance, end of year	<u>\$ 1,782,942</u>	<u>1,839,385</u>



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March 1, 2016

To the County Board
LaSalle County

We have audited the financial statements of the LaSalle County Self Insurance Trust for the year ended November 30, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 13, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the LaSalle County Self Insurance Trust are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2015. We noted no transactions entered into by the Trust during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The Trust has no sensitive estimates affecting the financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The Trust has no sensitive disclosures affecting the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 1, 2016.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Chairman and members of LaSalle County Self Insurance Trust Board and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Mack & Associates, P.C.

Mack & Associates, PC.