



116 E. Washington Street
Suite One
Morris, Illinois 60450

Phone: (815) 942-3306
Fax: (815) 942-9430
www.mackcpas.com

TAWNYA R. MACK, CPA
LAURI POPE, CPA
ERICA L. BLUMBERG, CPA
MATT MELVIN
CHRIS CHRISTENSEN
ANDREA PETERSON
TAYLOR BREUNIG
STEPHANIE HEISNER

CERTIFIED PUBLIC ACCOUNTANTS

February 26, 2015

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, 2014. 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 October 24, 2014. 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 2014. 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 Commission has no sensitive estimates affecting the financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The Commission 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 February 26, 2015.

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 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.

LASALLE COUNTY
SELF-INSURANCE TRUST
OTTAWA, ILLINOIS
ANNUAL FINANCIAL REPORT
NOVEMBER 30, 2014

Prepared by:



CERTIFIED PUBLIC ACCOUNTANTS

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

*116 E. Washington Street, Suite One
Morris, IL 60450
Telephone: (815) 942-3306*

LASALLE COUNTY SELF-INSURANCE TRUST

Table of Contents

	PAGE
Independent Auditors' Report.....	1-2
Management's Discussion and Analysis (Unaudited).....	3-6
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position.....	7
Statement of Activities	8
Fund Financial Statements:	
Balance Sheet	9
Statements of Revenue, Expenditures, and Changes in Fund Balance.....	10-11
Notes to Financial Statements.....	12-20
Other Supplementary Information:	
Major Governmental Funds:	
Principal Fund:	
Statement of Assets, Liabilities, and Fund Balance	21
Statements of Revenue, Expenditures, And Changes in Fund Balance – Principal Fund.....	22
Premium Reserve Fund:	
Statement of Assets, Liabilities, and Fund Balances.....	23
Statements of Revenue, Expenditures, And Changes in Fund Balance – Premium Reserve Fund.....	24
Non-Major Governmental Fund:	
Combining Statement of Assets, Liabilities, and Fund Balance	25
Combining Statements of Revenue, Expenditures, And Changes in Fund Balance.....	26

LASALLE COUNTY SELF-INSURANCE TRUST

Table of Contents

	PAGE
Claims Fund:	
Statement of Assets, Liabilities, and Fund Balance	27
Statement of Revenues, Expenditures and Changes in Fund Balance.....	28
Earnings Fund:	
Statement of Assets, Liabilities, and Fund Balance	29
Statements of Revenues, Expenditures and Changes in Fund Balances	30
Levy Abatement Fund:	
Statements of Assets, Liabilities, and Fund Balances	31
Statements of Revenue, Expenditures, and Changes in Fund Balance	32

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Members of the Board
LaSalle County Self-Insurance Trust
LaSalle County, 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, 2014, 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, 2014, 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

Other auditors previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of LaSalle County Illinois' Self-Insurance Trust for the year ended November 30, 2013, which are presented for comparison purposes with the accompanying financial statements, and were not audited by us. In their report dated April 17, 2014, they expressed an unqualified opinion on the financial statements of LaSalle County, Illinois' Self-Insurance Trust.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 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 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.

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

February 26, 2015

Morris, Illinois

MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)

LASALLE COUNTY SELF-INSURANCE TRUST

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

Our discussion and analysis of LaSalle Count Self-Insurance Trust's (trust) financial performance provides an overview of the Trust's financial activities for the fiscal year ended November 30, 2014, 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 revenues were greater than total expenses, on the accrual basis of accounting, by 452,003 for the year.
- The Trust's investments totaled \$18,854,241, and the Claims fund deficit was (\$85,819) at the end of the year. Overall the Trust ended the year with a fund balance of \$18,768,422.

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 to the financial statements (referred to as the "basic financial statements").

LASALLE COUNTY SELF-INSURANCE TRUST

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

Basis of Accounting

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. Basis of accounting is a reference to when financial events are recorded, such as the timing for recognizing revenues and expenses. 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 Statement of Net Position includes all of the Trust's net position. The difference between the Trust's assets and liabilities are another way to measure the Trust's overall financial position. All of the current year's revenues and expenses are accounted for in the Statement of Activities.

- Over time, increases or decreases in the Trust's net position is an indicator of whether its financial position is improving or deteriorating.
- To assess the overall financial condition of the Trust, additional non-financial factors, such as changes in Trust's property tax base and the condition of buildings and other facilities should be considered.

In the government-wide financial statements, the Trust activities are categorized as governmental activities. The Trust's basic services are included here.

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

Debt Administration

The Trust currently has outstanding debt of \$16,420,000. The trust is not subject to any debt limitations. Refer to Note 5 for further details regarding the Trust's long-term debt obligations.

Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Trust's governmental activities.

Table 1
Net Position

	<u>2014</u>	<u>2013</u>
Assets		
Cash in bank	\$ 189,654	45,431
Investments	<u>18,854,241</u>	<u>19,500,988</u>
Total assets	<u>19,043,895</u>	<u>19,546,419</u>
Liabilities		
Due within one year	\$ 1,590,473	123,000
Due within more than one year	<u>15,105,000</u>	<u>16,420,000</u>
Total liabilities	<u>16,695,473</u>	<u>16,543,000</u>
Net Position		
Restricted Net Position	<u>2,348,422</u>	<u>1,896,419</u>
Total Liabilities and Net Position	<u>\$ 19,043,895</u>	<u>18,439,419</u>

LASALLE COUNTY SELF-INSURANCE TRUST**MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED****Debt Administration-(Continued)**

Table 2
Change in Net Position

	Governmental Activities	
	2014	2013
General revenue:		
Interest Income	\$ 574,566	446,756
Realized gain (loss) on investments	(12,834)	(57,059)
County Contributions	1,809,356	1,459,774
Other	361,397	147,448
Total general revenues	2,732,485	1,996,919
Program expenses:		
Administrative	2,280,482	2,566,843
Total expenses	2,280,482	2,566,843
Change in net position	452,003	(569,924)
Net Position, beginning of year	1,896,419	2,466,343
Net Position, end of year	\$ 2,348,422	1,896,419

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

Statement of Net Position

November 30, 2014

(With Comparative Figures as of November 30, 2013)

	Governmental Activities	
	2014	2013
<u>Assets</u>		
Cash in bank	\$ 189,654	45,431
Investments	<u>18,854,241</u>	<u>19,500,988</u>
Total assets	\$ 19,043,895	19,546,419
<u>Liabilities</u>		
Current Liabilities:		
Accounts payable	\$ 125,473	-
Claims payable	<u>150,000</u>	<u>290,000</u>
Total current liabilities	275,473	290,000
Long-term Liabilities:		
Due in one year	1,315,000	940,000
Due within more than one year	<u>15,105,000</u>	<u>16,420,000</u>
Total long term liabilities	16,420,000	17,360,000
Total liabilities	16,695,473	17,650,000
<u>Net Position</u>		
Restricted Net Position	2,348,422	1,896,419
Total Liabilities and Net Position	\$ 19,043,895	19,546,419

LASALLE COUNTY SELF-INSURANCE TRUST

Statement of Activities

For the Year Ended November 30, 2014

(With Comparative Figures for the Year Ended November 30, 2013)

Program Activities	Expenditures	Program	Net (Expense) Revenue And Changes in Net Position
		Revenues	
		Fees and Charges for Services	
			Total
			2014
			2013
Governmental activities:			
Administrative	\$ 2,280,482	-	(2,280,482) (2,566,843)
Total governmental activities	\$ 2,280,482	-	(2,280,482) (2,566,843)
General revenues:			
Interest on investments		574,566	446,756
Realized gain (loss) on investments		(12,834)	(57,059)
County Contribution		1,809,356	1,459,774
Other		361,397	147,448
Total general revenues		2,732,485	1,996,919
Change in net position		452,003	(569,924)
Net position at beginning of year		1,896,419	2,466,343
Net position at end of year	\$ 2,348,422		1,896,419

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

LASALLE COUNTY SELF-INSURANCE TRUST

Balance Sheet - Governmental Funds

November 30, 2014

(With Comparative Figures as of November 30, 2013)

	Major Funds			Total	
	Principal	Premium Reserve	Non-Major Funds	November 30, 2014	2013
Assets					
Cash in bank	\$ -	-	189,654	189,654	45,431
Investments	15,304,767	1,710,086	1,839,388	18,854,241	19,500,988
Total Assets	\$ 15,304,767	1,710,086	2,029,042	19,043,895	19,546,419
 Liabilities and Fund Balance					
Liabilities:					
Accounts Payable	\$ -	-	125,473	125,473	-
Claims Payable	-	-	150,000	150,000	290,000
Total Liabilities	-	-	275,473	275,473	290,000
Fund balance:					
Restricted	15,304,767	1,710,086	1,753,569	18,768,422	19,256,419
Total Fund Balances	15,304,767	1,710,086	1,753,569	18,768,422	19,256,419
Total Liabilities and Fund Balances	\$ 15,304,767	1,710,086	2,029,042	19,043,895	19,546,419

Reconciliation to the Statement of Net Position:

Fund balance - governmental funds	\$ 18,768,422	19,256,419
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	(16,420,000)	(17,360,000)
Net position of governmental activities	\$ 2,348,422	1,896,419

The Notes to 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, 2014
(With Comparative Figures for the Year Ended November 30, 2013)

	Major Funds		Non-Major Funds	Total November 30,	
	Principal	Premium Reserve		2014	2013
Revenues:					
Interest Income	\$ 539,552	34,974	40	574,566	446,756
Realized gain (loss) on investments	(12,834)	-	-	(12,834)	(57,059)
Other (restitution)	88	-	361,309	361,397	91,344
Total revenues	526,806	34,974	361,349	923,129	481,041
Expenditures:					
Administrative/claims	556,600	5,028	1,200,331	1,761,959	1,877,453
Bond Principal	-	-	940,000	940,000	910,000
Bond Interest	-	-	518,523	518,523	327,728
Total expenditures	556,600	5,028	2,658,854	3,220,482	3,115,181
Excess of revenues over (under) expenditures	(29,794)	29,946	(2,297,505)	(2,297,353)	(2,634,140)
Other financing sources (uses):					
Bond proceeds	-	-	-	-	8,960,000
Bond premiums	-	-	-	-	56,104
Bond issuance costs	-	-	-	-	(361,662)
Contributions from County	-	515,718	1,293,638	1,809,356	1,459,774
Transfers from (to) other funds	(1,067,340)	(465,000)	1,532,340	-	-
Total other financing sources (uses)	(1,067,340)	50,718	2,825,978	1,809,356	10,114,216
Net change in fund balance	(1,097,134)	80,664	528,473	(487,997)	7,480,076
Fund balance, beginning of year	16,401,901	1,629,422	1,225,096	19,256,419	11,776,343
Fund balance, end of year	\$ 15,304,767	1,710,086	1,753,569	18,768,422	19,256,419

The Notes to 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, 2014
(With Comparative Figures for the Year Ended November 30, 2013)**

Reconciliation to Statement of Activities:

Net change in fund balances - governmental funds \$ (487,997) 7,480,076

Amounts reported for governmental activities in the Statement of Activities are different because:

Bond issuance proceeds are other financing sources in the governmental funds but the proceeds are not reported as revenues in the Statement of Activities:

Capital debt obligations issuance proceeds - (8,960,000)

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 940,000 910,000

Change in net position of governmental activities \$ 452,003 (569,924)

NOTES TO FINANCIAL STATEMENTS

LASALLE COUNTY SELF-INSURANCE TRUST

Notes to Financial Statements For the Year Ended November 30, 2014

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 Grundy 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, or expenses, as appropriate. 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.

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 to Financial Statements For the Year Ended November 30, 2014

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 (such as accounts receivable and revenue for billed or provided services not yet collected) 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.

LASALLE COUNTY SELF-INSURANCE TRUST

Notes to Financial Statements For the Year Ended November 30, 2014

Note 2: Cash Deposits - (continued)

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, 2014, the Trust's bank balance was \$189,654 and \$0 of that amount was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging or financial institution's trust department or agent, but not in the government's name.

At November 30, 2014, the carrying amount of the Trust's deposits was \$189,654 and the bank balance was \$197,477. The deposits are categorized in accordance with risk factors created by governmental reporting standards.

Note 3: Investments

As of November 30, 2014, the Trust's investments were as follows:

	Carrying Amount	Market Value
Municipal bonds:	\$ 18,854,241	\$ 18,854,241

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)				Total
	12 Months Or Less	13-24 Months	25-60 Months	61+ Months	
Municipal bonds	\$ 903,303	\$ 2,020,150	\$ 6,325,545	\$ 9,605,243	\$ 18,854,241

LASALLE COUNTY SELF-INSURANCE TRUST

Notes to Financial Statements For the Year Ended November 30, 2014

Note 3: Investments - (continued)

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 is 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:

<u>Total as of November 30, 2014</u>		
AAA	\$	827,874
AA+		4,325,837
AA		4,002,484
AA-		1,669,337
A+		2,707,656
A		1,170,005
A-		104,492
U.S. Gov't Backed Money		
Market Accounts		3,083,333
Not Rated		963,223
Total	\$	<u>18,854,241</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, 2014 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 to Financial Statements For the Year Ended November 30, 2014

Note 4: Certification of Reserve

The reserve balances have been audited as of November 30, 2014 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, 2014:

Description	Balance Nov. 30, 2013	Additions	Payments	Balance Nov. 30, 2014	Due within 1 year
Series 2004 Bonds	\$ 1,915,000	-	940,000	975,000	975,000
Series 2011 Bonds	6,485,000	-	-	6,485,000	-
Series 2013 Bonds	8,960,000	-	-	8,960,000	340,000
	<u>\$ 17,360,000</u>	<u>-</u>	<u>940,000</u>	<u>16,420,000</u>	<u>1,315,000</u>

Debt Service Schedule - Series 2014 Bonds

Date	Principal	Coupon	Interest	Total P & I
12/1/2014	\$ 975,000	3.55%	17,306	992,306
Total:	<u>\$ 975,000</u>		<u>\$17,306</u>	<u>\$992,306</u>

LASALLE COUNTY SELF-INSURANCE TRUST

Notes to Financial Statements
For the Year Ended November 30, 2014

Note 5: Debt Service Schedule - (continued)

Debt Service Schedule - Series 2011 Bonds

Date	Principal	Coupon	Interest	Total P & I
12/1/2014	\$ -	-	122,835	122,835
6/1/2015	-	-	122,835	122,835
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	<u>770,000</u>	<u>4.50</u>	<u>17,325</u>	<u>787,325</u>
Total:	<u>\$ 6,485,000</u>		<u>\$ 1,642,283</u>	<u>8,127,283</u>

LASALLE COUNTY SELF-INSURANCE TRUST

Notes to Financial Statements
For the Year Ended November 30, 2014

Note 5: Debt Service Schedule - (continued)

Debt Service Schedule - Series 2013 Bonds				
Date	Principal	Coupon	Interest	Total P & I
12/1/2014	\$ 340,000	-	116,515	456,515
6/1/2015	-	-	113,115	113,115
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:	\$ 8,960,000		\$ 1,541,087	<u>10,501,087</u>

LASALLE COUNTY SELF-INSURANCE TRUST

Notes to Financial Statements For the Year Ended November 30, 2014

Note 6: Transfers

	Transfers In	Transfers Out
Major Funds:		
Principal Fund	\$ 465,000	\$ 1,532,340
Premium Fund	-	465,000
Non-Major Funds	<u>2,068,116</u>	<u>535,776</u>
Total	<u><u>\$ 2,533,116</u></u>	<u><u>\$ 2,533,116</u></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	\$	18,768,422
--------------------------	----	------------

LASALLE COUNTY SELF-INSURANCE TRUST

Notes to Financial Statements For the Year Ended November 30, 2014

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 County 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 County 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, 2014.

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 County Board itself or (b) the finance committee when the County 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, 2014
(With Comparative Figures as of November 30, 2013)**

	<u>November 30,</u>	
	<u>2014</u>	<u>2013</u>
<u>Assets</u>		
Investments	\$ 15,304,767	<u>16,401,901</u>
Total assets	<u>\$ 15,304,767</u>	<u>16,401,901</u>
<u>Fund Balance</u>		
Fund balance - restricted	\$ 15,304,767	<u>16,401,901</u>
Total Fund balance	<u>\$ 15,304,767</u>	<u>16,401,901</u>

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

**Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended November 30, 2014
(With Comparative Figures for the Year Ended November 30, 2013)**

	<u>Year Ended November 30,</u>	
	<u>2014</u>	<u>2013</u>
Revenues:		
Interest Income	\$ 539,552	320,714
Realized gain (loss) on investment	(12,834)	-
Miscellaneous	88	87,368
Total revenue	526,806	408,082
Expenditures:		
Administrative and advisory fees	138,378	121,632
Miscellaneous fees	12,333	8,750
Insurance premiums and claims	405,889	380,507
Total expenditures	556,600	510,889
Excess of revenues over (under) expenditures	(29,794)	(102,807)
Other financing sources (uses):		
Proceeds from bond issuance	-	8,960,000
Premium from bond issuance	-	56,104
Bond issuance costs	-	(361,662)
Transfer to Self-Insurance Claims Fund	(996,564)	(1,134,036)
Transfer to Self-Insurance Earnings Fund	(535,776)	-
Transfer from (to) Self-Insurance Premium Fund	465,000	(340,605)
Total other financing sources (uses)	(1,067,340)	7,179,801
Net change in fund balance	(1,097,134)	7,076,994
Fund balance, beginning of year	16,401,901	9,324,907
Fund balance, end of year	\$ 15,304,767	16,401,901

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

**Statement of Assets, Liabilities, and Fund Balances
November 30, 2014
(With Comparative Figures as of November 30, 2013)**

	<u>November 30,</u>	
	<u>2014</u>	<u>2013</u>
<u>Assets</u>		
Investments	\$ 1,710,086	1,629,422
Total assets	<u>\$ 1,710,086</u>	<u>1,629,422</u>
<u>Fund Balance</u>		
Fund balance - restricted	\$ 1,710,086	1,629,422
Total fund balances	<u>\$ 1,710,086</u>	<u>1,629,422</u>

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

**Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended November 30, 2014
(With Comparative Figures for the Year Ended November 30, 2013)**

	<u>Year Ended November 30,</u>	
	<u>2014</u>	<u>2013</u>
Revenues:		
Interest Income	\$ 34,974	41,351
Realized gain (loss) on investments	- (57,059)	
Total revenue	34,974	(15,708)
Expenditures:		
Administrative and advisory fees	5,028	-
Total expenditures	5,028	-
Excess of revenues over (under) expenditures	29,946	(15,708)
Other financing sources (uses):		
Transfer (to) from Self-Insurance Principal Fund	(465,000)	340,605
Transfer from County	515,718	-
Total other financing sources (uses)	50,718	340,605
Net change in fund balance	80,664	324,897
Fund balance, beginning of year	1,629,422	1,304,525
Fund balance, end of year	\$ 1,710,086	1,629,422

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

**Combining Statement of Assets, Liabilities and Fund Balance
November 30, 2014
(With Comparative Figures as of November 30, 2013)**

	Claims Fund	Earnings Fund	Levy- Abatement Fund	Total November 30,	
				2014	2013
Assets					
Cash in bank	\$ 189,654	-	-	189,654	45,431
Investments	-	3	1,839,385	1,839,388	1,469,665
Total assets	\$ 189,654	3	1,839,385	2,029,042	1,515,096
Liabilities and Fund Balance					
Liabilities:					
Accounts payable	\$ 125,473	-	-	125,473	-
Claims payable	150,000	-	-	150,000	290,000
Total liabilities	275,473	-	-	275,473	290,000
Fund balance (deficit) - restricted	(85,819)	3	1,839,385	1,753,569	1,225,096
Total liabilities and fund balance	\$ 189,654	3	1,839,385	2,029,042	1,515,096

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

**Combining Statements of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended November 30, 2014
(With Comparative Figures as of November 30, 2013)**

	Claim Funds	Earnings Funds	Levy- Abatement Fund	Total	
				Year Ended November 30, 2014	2013
Revenues:					
Interest income	\$ -	-	40	40	84,691
Other (restitution)	361,267	-	42	361,309	3,976
Total revenues	361,267	-	82	361,349	88,667
Expenditures:					
Bond principal	-	-	940,000	940,000	910,000
Interest expense	-	-	518,523	518,523	327,728
Insurance premiums and claims	1,199,081	-	-	1,199,081	1,366,564
Advisory Fees	-	-	1,250	1,250	-
Total expenditures	1,199,081	-	1,459,773	2,658,854	2,604,292
Excess of revenues over (under) expenditures	(837,814)	-	(1,459,691)	(2,297,505)	(2,515,625)
Other financing sources (uses):					
Contributions from County	-	-	1,293,638	1,293,638	1,459,774
Transfers to (from) other funds	996,564	-	535,776	1,532,340	1,134,036
Total other financing sources (uses)	996,564	-	1,829,414	2,825,978	2,593,810
Net change in fund balance	158,750	-	369,723	528,473	78,185
Fund balance (deficit), beginning of year	(244,569)	3	1,469,662	1,225,096	1,146,911
Fund balance (deficit), end of year	\$ (85,819)	3	1,839,385	1,753,569	1,225,096

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

**Statement of Assets, Liabilities and Fund Balance
November 30, 2014
(With Comparative Figures as of November 30, 2013)**

	<u>November 30,</u>	
	<u>2014</u>	<u>2013</u>
<u>Assets</u>		
Cash in bank	\$ 189,654	45,431
Investments	-	-
Total assets	\$ 189,654	45,431
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	\$ 125,473	-
Claims payable	150,000	290,000
Total liabilities	275,473	290,000
Fund balance (deficit)	(85,819)	(244,569)
Total liabilities fund balances	\$ 189,654	45,431

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

**Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended November 30, 2014
(With Comparative Figures as of November 30, 2013)**

	Year Ended November 30,	
	2014	2013
Revenues:		
Other (restitution)	\$ 361,267	3,976
Total revenues	<u>361,267</u>	<u>3,976</u>
Expenditures:		
Insurance premiums and claims	1,199,081	1,366,564
Total expenditures	<u>1,199,081</u>	<u>1,366,564</u>
Excess of revenue over (under) expenditures	<u>(837,814)</u>	<u>(1,362,588)</u>
Other financing sources (uses):		
Transfers from Self-Insurance Principal Fund	996,564	1,134,036
Transfers from Self-Insurance 2004 Levy Abatement Fund	-	85,316
Total other financing sources (uses)	<u>996,564</u>	<u>1,219,352</u>
Net change in fund balance	<u>158,750</u>	<u>(143,236)</u>
Fund balance(deficit), beginning of year	<u>(244,569)</u>	<u>(101,333)</u>
Fund balance (deficit), end of year	<u>\$ (85,819)</u>	<u>(244,569)</u>

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

**Statement of Assets, Liabilities and Fund Balance
November 30, 2014
(With Comparative Figures as of November 30, 2013)**

	<u>November 30,</u>	
	<u>2014</u>	<u>2013</u>
<u>Assets</u>		
Cash in bank	\$ -	-
Investments	\$ 3	3
Total assets	\$ 3	3
<u>Fund Balance</u>		
Fund balance - restricted	\$ 3	3
Total liabilities fund balances	\$ 3	3

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

**Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended November 30, 2014
(With Comparative Figures as of November 30, 2013)**

	Year Ended November 30,	
	2014	2013
Revenues:		
Interest income	\$ -	1
Total revenues	-	1
Expenditures:		
Fees	-	-
Total expenditures	-	-
Excess of revenue over (under) expenditures	-	1
Other financing sources (uses):		
Transfers from Self-Insurance Claims Fund	-	-
Total other financing sources (uses)	-	-
Net change in fund balance	-	1
Fund balance, beginning of year	3	2
Fund balance, end of year	\$ 3	3

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

**Statement of Assets, Liabilities and Fund Balance
November 30, 2014
(With Comparative Figures as of November 30, 2013)**

	<u>November 30,</u>	
	<u>2014</u>	<u>2013</u>
<u>Assets</u>		
Cash in bank	\$ -	-
Investments	<u>1,839,385</u>	<u>1,469,662</u>
Total assets	<u>1,839,385</u>	<u>1,469,662</u>
<u>Fund Balance</u>		
Fund balance - restricted	<u>1,839,385</u>	<u>1,469,662</u>
Total liabilities fund balances	<u>1,839,385</u>	<u>1,469,662</u>

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

**Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended November 30, 2014
(With Comparative Figures as of November 30, 2013)**

	<u>Year Ended November 30,</u>	
	<u>2014</u>	<u>2013</u>
Revenues:		
Interest income	\$ 40	84,690
Other	42	-
Total revenues	<u>82</u>	<u>84,690</u>
Expenditures:		
Bond principal	940,000	910,000
Interest expense	518,523	327,728
Fees	1,250	-
Total expenditures	<u>1,459,773</u>	<u>1,237,728</u>
Excess of revenue over (under) expenditures	<u>(1,459,691)</u>	<u>(1,153,038)</u>
Other financing sources (uses):		
Transfer to (from) Self-Insurance Claims Fund	535,776	(85,316)
Contribution from County	1,293,638	1,459,774
Total other financing sources (uses)	<u>1,829,414</u>	<u>1,374,458</u>
Net change in fund balance	<u>369,723</u>	<u>221,420</u>
Fund balance, beginning of year	<u>1,469,662</u>	<u>1,248,242</u>
Fund balance, end of year	<u>\$ 1,839,385</u>	<u>1,469,662</u>