

**LASALLE COUNTY  
SELF-INSURANCE TRUST**

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**Annual Financial Report**

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**November 30, 2012**

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## INDEPENDENT AUDITOR'S REPORT

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

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 years ended November 30, 2012, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of the LaSalle County Self-Insurance Trust's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior-year summarized comparative information has been derived from the County's 2011 financial statements, which were audited by Wipfli LLP, and whose report dated June 7, 2012, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain responsible assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements of the LaSalle County Self-Insurance Trust are intended to present the financial position, and the changes in financial position of only that portion of the governmental activities, each major fund, and the aggregate remaining fund information of LaSalle County that is attributable to the transactions of the LaSalle County Self-Insurance Trust. They do not purport to, and do not, present fairly the financial position of LaSalle County, Illinois, as of November 30, 2012, the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the LaSalle County Self-Insurance Trust, Illinois, as of November 30, 2012, and the respective changes in financial position, and, where applicable, cash flow thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated March 25, 2013, on our consideration of the LaSalle County Self-Insurance Trust's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control, over financial reporting or on compliance. That report is an integral part of an audit preformed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 6 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the LaSalle County Self-Insurance Trust's basic financial statements. The statements listed in the contents as Other Supplementary Information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such 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.

*Wipfli LLP*

Mendota, Illinois  
March 25, 2013

# LASALLE COUNTY SELF-INSURANCE TRUST

## Management's Discussion and Analysis – Unaudited

November 30, 2012

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Our discussion and analysis of LaSalle County Self-Insurance Trust's (Trust) financial performance provides an overview of the Trust's financial activities for the fiscal year ended November 30, 2012, within the limitations of the Trust's basis of accounting. Please read it in conjunction with LaSalle County Self-Insurance Trust's financial statements.

### **FINANCIAL HIGHLIGHTS**

- LaSalle County Self-Insurance Trust's total expenses were greater than total revenues, on the accrual basis of accounting, by \$224,713 for the year. The increase over the prior year is attributable to an increase in interest income due to the issuance of a new bond in 2011 along with a decrease in expenditures.
- The Trust's investments totaled \$11,877,676, and the Claims Fund balance was \$(101,333) at the end of the year. Overall the Trust ended the year with a fund balance of \$11,776,323.

### **USING THIS ANNUAL REPORT**

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the Trust's basis of accounting.

#### **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 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 Assets and Statement of Activities provide information on governmental-wide statements and are on the accrual basis method 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 statement 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:** This Management's Discussion and Analysis and the General Fund Budgetary Comparison Schedules represent financial information required by GASB to be presented. Such information provides users of this report with additional data that supplements the government-wide financial statements, fund financial statements, and notes to the financial statements (referred to as "the basic financial statements").

# **LASALLE COUNTY SELF-INSURANCE TRUST**

## **Management's Discussion and Analysis – Unaudited**

November 30, 2012

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### **Basis of Accounting**

The government-wide financial statements have elected to report information about the Trust using accrual basis of accounting. Accrual basis of accounting is a reference to when financial events are recorded, such as the timing for recognizing revenues and expenses. Related assets and liabilities are recorded when they occur as opposed to when they arise than from cash transactions.

### **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 Assets and the Statement of Activities**

The Statement of Net Assets includes all of the Trust's net assets. 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 assets are 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 by 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.

### **Debt Administration**

The Trust currently has outstanding debt of \$9,460,000. The Trust is not subject to any debt limitations. Refer to Note 5 for further details regarding the Trust's long-term debt obligations.

# LASALLE COUNTY SELF-INSURANCE TRUST

## Management's Discussion and Analysis - Unaudited

November 30, 2012

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Our analysis below focuses on the net assets (table 1) and changes in net assets (table 2) of the Trusts' governmental activities:

**Table 1**  
**Net Assets**

	<b>Governmental Activities</b>	
	<b>2012</b>	<b>2011</b>
<b>Assets</b>		
Current and other assets	\$ 11,926,343	\$ 12,431,610
<b>Total Assets</b>	<b>11,926,343</b>	<b>12,431,610</b>
<b>Liabilities</b>		
Due within one year	1,060,000	880,000
Due in more than one year	8,400,000	9,310,000
<b>Total Liabilities</b>	<b>9,460,000</b>	<b>10,190,000</b>
<b>Net Assets</b>		
Restricted net assets	2,466,323	2,241,610
<b>Total Net Assets</b>	<b>\$ 2,466,323</b>	<b>\$ 2,241,610</b>

**Table 2**  
**Change in Net Assets**

	<b>Governmental Activities</b>	
	<b>2012</b>	<b>2011</b>
<b>General Revenues</b>		
Interest on investments	\$ 410,330	\$ 252,198
Unrealized gain (loss) on investments	91,923	204,955
Realized gain (loss) on investments	(41,932)	(17,266)
County contribution	1,451,139	1,020,527
Other	3,630	30,979
<b>Total General Revenues</b>	<b>1,915,090</b>	<b>1,491,393</b>
<b>Program Expenditures</b>		
Administrative	1,690,377	1,672,771
<b>Total Program Expenditures</b>	<b>1,690,377</b>	<b>1,672,771</b>
<b>Change in Net Assets</b>	<b>224,713</b>	<b>(181,378)</b>
<b>Net assets at beginning of year</b>	<b>2,241,610</b>	<b>2,422,988</b>
<b>Net assets at end of year</b>	<b>\$ 2,466,323</b>	<b>\$ 2,241,610</b>

# **LASALLE COUNTY SELF-INSURANCE TRUST**

## **Management's Discussion and Analysis – Unaudited**

November 30, 2012

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### **Contacting the County's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, and 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.

# LASALLE COUNTY SELF-INSURANCE TRUST

## Statements of Net Assets

November 30, 2012

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	<b>Primary Government</b>		
	<b>Governmental Activities</b>		<b>Total</b>
	<b>2012</b>	<b>2011</b>	
<b><u>Assets</u></b>			
Cash	\$ 48,667	\$ 48,667	\$ 114,024
Investments	<u>11,877,676</u>	<u>11,877,676</u>	<u>12,317,586</u>
Total assets	<u>11,926,343</u>	<u>11,926,343</u>	<u>12,431,610</u>
<b><u>Liabilities:</u></b>			
Claims payable	150,000	150,000	-
Due within one year	910,000	910,000	880,000
Due in more than one year	<u>8,400,000</u>	<u>8,400,000</u>	<u>9,310,000</u>
Total liabilities	<u>9,460,000</u>	<u>9,460,000</u>	<u>10,190,000</u>
<b><u>Net Assets:</u></b>			
Restricted Net Assets	2,466,323	2,466,323	2,241,610
Unrestricted Net Assets	-	-	-
Net Assets	<u>\$ 2,466,323</u>	<u>\$ 2,466,323</u>	<u>\$ 2,241,610</u>

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

**LASALLE COUNTY SELF-INSURANCE TRUST**  
**Statements of Activities**  
November 30, 2012

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Program Activities	Expenditures	Program Revenues				Total	
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	2012	2011
Governmental activities:							
Administrative	\$ 1,690,377	\$ -	\$ -	\$ -	\$ 1,690,377	\$ 1,690,377	\$ 1,672,771
Total governmental activities	<u>\$ 1,690,377</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,690,377</u>	<u>\$ 1,690,377</u>	<u>\$ 1,672,771</u>
General revenues:							
Interest on investments					410,330	410,330	252,198
Unrealized gain (loss) on investments					91,923	91,923	204,955
Realized gain (loss) on investments					(41,932)	(41,932)	(17,266)
County Contribution					1,451,139	1,451,139	1,020,527
Other					3,630	3,630	30,979
Total general revenues					<u>1,915,090</u>	<u>1,915,090</u>	<u>1,491,393</u>
Change in net assets					224,713	224,713	(181,378)
Net assets at beginning of year					<u>2,241,610</u>	<u>2,241,610</u>	<u>2,422,988</u>
Net assets at end of year					<u>\$ 2,466,323</u>	<u>\$ 2,466,323</u>	<u>\$ 2,241,610</u>

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

# LASALLE COUNTY SELF-INSURANCE TRUST

## Balance Sheets

November 30, 2012

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	Governmental Fund Types			Total November 30,	
	Major Funds		Other Non-Major Funds	2012	
	Principal	Premium Reserve		2011	
<b><u>Assets</u></b>					
Cash	\$ -	\$ -	\$ 48,667	\$ 48,667	\$ 114,024
Investments	<u>9,324,907</u>	<u>1,304,525</u>	<u>1,248,244</u>	<u>11,877,676</u>	<u>12,317,586</u>
Total assets	<u><b>9,324,907</b></u>	<u><b>1,304,525</b></u>	<u><b>1,296,911</b></u>	<u><b>11,926,343</b></u>	<u><b>12,431,610</b></u>
<b><u>Liabilities and fund balance</u></b>					
Claims payable	\$ -	\$ -	\$ 150,000	\$ 150,000	\$ -
Due in more than one year	- -	- -	- -	- -	- -
Total liabilities	- -	- -	150,000	150,000	- -
Fund balance:					
Restricted	<u>9,324,907</u>	<u>1,304,525</u>	<u>1,146,891</u>	<u>11,776,323</u>	<u>12,431,610</u>
Total fund balance	<u><b>9,324,907</b></u>	<u><b>1,304,525</b></u>	<u><b>1,146,891</b></u>	<u><b>11,776,323</b></u>	<u><b>12,431,610</b></u>
Total liabilities and fund balance	<u><b>\$ 9,324,907</b></u>	<u><b>\$ 1,304,525</b></u>	<u><b>\$ 1,296,891</b></u>	<u><b>\$ 11,926,323</b></u>	<u><b>\$ 12,431,610</b></u>

### Reconciliation to the Statement of Net Assets

Amounts reported for governmental activities in the statement of net assets 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	(9,310,000)	(10,190,000)
Net assets of governmental activities.	<u><b>\$ 2,466,323</b></u>	<u><b>\$ 2,241,610</b></u>

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

**LASALLE COUNTY SELF-INSURANCE TRUST**  
**Statements of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
Year Ended November 30, 2012

	Governmental Fund Types			Total			
	Major Funds		Other Non-Major	November 30,			
	Principal	Premium Reserve	Funds	2012	2011		
Revenues:							
Interest income	\$ 383,850	\$ 26,456	\$ 24	\$ 410,330	\$ 252,198		
Unrealized gain (loss) on investments	164,453	(72,530)	-	91,923	204,955		
Realized gain (loss) on investments	-	(41,932)	-	(41,932)	(17,266)		
Other	951	-	2,679	3,630	30,979		
Total revenues	<u>549,254</u>	<u>(88,006)</u>	<u>2,703</u>	<u>463,951</u>	<u>470,866</u>		
Expenditures:							
Administrative	429,032	-	830,920	1,259,952	1,534,940		
Bond Principal	-	-	880,000	880,000	855,000		
Bond Interest	-	-	430,425	430,425	137,831		
Total expenditures	<u>429,032</u>	<u>-</u>	<u>2,141,345</u>	<u>2,570,377</u>	<u>2,527,771</u>		
Excess of revenues over (under) expenditures	120,222	(88,006)	(2,138,642)	(2,106,426)	(2,056,905)		
Other financing sources (uses):							
Proceeds from bond issuance	-	-	-	-	6,485,000		
Contributions from County General Fund	-	-	1,451,139	1,451,139	1,020,527		
Transfers from (to) other funds	(848,723)	406,404	442,319	-	-		
Total other financing sources (uses)	<u>(848,723)</u>	<u>406,404</u>	<u>1,893,458</u>	<u>1,451,139</u>	<u>7,505,527</u>		
Net Change in Fund Balance	(728,501)	318,398	(245,184)	(655,287)	5,448,622		
Fund balance, beginning of year	<u>10,053,408</u>	<u>986,127</u>	<u>1,392,075</u>	<u>12,431,610</u>	<u>6,982,988</u>		
Fund balance, end of year	<u>\$ 9,324,907</u>	<u>\$ 1,304,525</u>	<u>\$ 1,146,891</u>	<u>\$ 11,776,323</u>	<u>\$ 12,431,610</u>		

**Reconciliation to the Statement of Net Assets**

Amounts reported for governmetnal activities in the statement of net assets are different because:

Net change in fund balances - governmental activities	(655,287)	5,448,622
Bond issuance proceeds are other financing sources in the governmental funds but the proceeds increase long-term liabilities in the Statement of Net Assets:		
Capital debt obligation issuance proceeds	-	(6,485,000)
Repayment of debt principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the Statement of Net Assets:		
Capital debt obligation principal payments	880,000	855,000
Change in net assets of governmental activities	<u>\$ 224,713</u>	<u>\$ (181,378)</u>

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

# **LASALLE COUNTY SELF-INSURANCE TRUST**

## **Notes to Financial Statements**

November 30, 2012

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

Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide and fund financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 have been applied, to the extent they are applicable to the modified accrual basis of accounting , unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

#### **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 insurance services to the employees of 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.

2004 Levy Abatement Fund – The 2004 Levy Abatement Fund is used to pay principal and interest debt payments.

# LASALLE COUNTY SELF-INSURANCE TRUST

## Notes to Financial Statements

November 30, 2012

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

#### C. Fixed Assets

The Trust does not have any fixed assets.

#### D. Basis of Accounting

The government-wide Statement of Net Assets and Statement of Activities are presented using the accrual basis of accounting. This basis recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures/expenses 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 (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.

#### 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 Assets

Net assets represent the difference between assets and liabilities. Net assets are 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 laws or regulations of other governments.

### Note 2: Cash Deposits

At year-end, the carrying amount of the Trust's deposits was \$48,667 and the bank balance was \$58,914. Of the bank balance, \$58,914 was covered by Federal Depository Insurance. Custodial credit risk is the risk that, in the event of a bank failure, the Trust's deposits might not be recovered. As of November 30, 2012, \$-0- of the Trust's balance was exposed to custodial credit risk.

# LASALLE COUNTY SELF-INSURANCE TRUST

## Notes to Financial Statements

November 30, 2012

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### Note 3: Investments

As of November 30, 2012, the Trust's investments were as follows:

	<u>Carrying Amount</u>	<u>Market Value</u>
Investment pools	<u>\$11,877,676</u>	<u>\$11,877,676</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 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
Investment pools	\$3,507,074	\$586,515	\$2,831,248	\$4,952,839	\$11,877,676

#### 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:

#### Total as of November 30, 2012

AAA	\$ 1,361,946
AA+	1,189,217
AA	2,459,699
AA-	2,128,978
A+	1,679,436
A	647,907
BBB	230,000
U.S. Gov't Backed Money	
Market Accounts	1,864,414
Not Rated	316,079
Total	<u>\$ 11,877,676</u>

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

# LASALLE COUNTY SELF-INSURANCE TRUST

## Notes to Financial Statements

November 30, 2012

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### Note 3: Investments (Continued)

#### Concentration of Credit Risk:

The Trust has no investments, other than mutual funds that are exempted from this requirement, in any one issuer that represent 5% or more of 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 investment or collateral securities that are in the possession of another party.

As of November 30, 2012 there are no investments with custodial credit risk.

#### Foreign Currency Risk:

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

### Note 4: Certification of Reserve

The reserve balances have been audited as of November 30, 2012 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, 2012:

<b>Description</b>	<b>Balance Nov. 30,</b>			<b>Balance Nov. 30,</b>		<b>Due within 1 year</b>
	<b>2011</b>	<b>Additions</b>	<b>Payments</b>	<b>2012</b>		
Series 2004 Bonds	\$3,705,000	\$ -	\$880,000	\$2,825,000	\$910,000	
Series 2011 Bonds	6,485,000	-	-	6,485,000		-
	<b>\$10,190,000</b>	<b>\$ -</b>	<b>\$880,000</b>	<b>\$9,310,000</b>	<b>\$910,000</b>	

# LASALLE COUNTY SELF-INSURANCE TRUST

## Notes to Financial Statements

November 30, 2012

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### Note 5: Debt Service Schedule (Continued):

#### Debt Service Schedule – Series 2004 Bonds

<u>Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Total P &amp; I</u>
12/01/2012	\$ 910,000	3.300%	\$ 48,536	\$ 958,536
06/01/2013	-	-	33,521	33,521
12/01/2013	940,000	3.450%	33,521	973,521
06/01/2014	-	-	17,306	17,306
12/01/2014	975,000	3.550%	17,306	992,306
 Total:	 \$2,825,000		 \$150,190	 \$2,975,190

#### Debt Service Schedule – Series 2011 Bonds

<u>Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Total P &amp; I</u>
12/01/2012	\$ -	0.00	\$122,835	\$122,835
06/01/2013	-	0.00	122,835	122,835
12/01/2013	-	0.00	122,835	122,835
06/01/2014	-	0.00	122,835	122,835
12/01/2014	-	0.00	122,835	122,835
06/01/2015	-	0.00	122,835	122,835
12/01/2015	550,000	3.00	122,835	672,835
06/01/2016	-	0.00	114,585	114,585
12/01/2016	570,000	3.00	114,585	684,585
06/01/2017	-	0.00	106,035	106,035
12/01/2017	585,000	3.50	106,035	691,035
06/01/2018	-	0.00	95,798	95,798
12/01/2018	610,000	3.50	95,798	705,798
06/01/2019	-	0.00	85,123	85,123
12/01/2019	630,000	3.50	85,123	715,123
06/01/2020	-	0.00	74,098	74,098
12/01/2020	650,000	3.75	74,098	724,098
06/01/2021	-	0.00	61,910	61,910
12/01/2021	675,000	4.00	61,910	736,910
06/01/2022	-0-	0.00	48,410	48,410
12/01/2022	705,000	4.20	48,410	753,410
06/01/2023	-	0.00	33,605	33,605
12/01/2023	740,000	4.40	33,605	773,605
06/01/2024	-	0.00	17,325	17,325
12/01/2024	<u>770,000</u>	<u>4.50</u>	<u>17,325</u>	<u>787,325</u>
 Total:	 <u>\$6,485,000</u>		 <u>\$2,133,623</u>	 <u>\$8,618,623</u>

# LASALLE COUNTY SELF-INSURANCE TRUST

## Notes to Financial Statements

November 30, 2012

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### Note 6: Transfers

	<b>Transfers In</b>	<b>Transfers Out</b>
Major Funds:		
Principal Fund	\$    -	\$ 848,723
Premium Reserve Fund	406,404	-
Non-Major Funds:		
Claims Fund	612,884	-
Earnings Fund	-	20
2004 Levy Abatement Fund	-	170,545
 Total	 <u>\$1,019,288</u>	 <u>\$1,019,288</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 the 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 laws 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	\$11,926,323
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# **LASALLE COUNTY SELF-INSURANCE TRUST**

## **Notes to Financial Statements**

November 30, 2012

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### **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 employed to previously commit those amounts.

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

The Trust has no committed fund balances.

#### **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 or committed. Intent may be expressed by (a) the County Board itself or (b) the finance committee when the County Board has 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 to specific purposes within the General Fund.

#### **6. Expenditures of Fund Balance**

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next 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**

**Statements of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended November 30, 2012**

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	<b>Year Ended November 30,</b>	
	<b>2012</b>	<b>2011</b>
<b>Revenue:</b>		
Interest income	\$ 383,850	\$ 214,643
Unrealized gain (loss) on investments	164,453	183,582
Miscellaneous	951	1,502
 Total revenue	 549,254	 399,727
 <b>Expenditures:</b>		
Administrative and advisory fees	92,935	81,305
Miscellaneous fees	371	2,857
Bond issuance costs	-	50,269
Insurance premiums and claims	335,726	321,931
 Total expenditures	 429,032	 456,362
 Excess of revenues over (under) expenditures	 120,222	 (56,635)
 <b>Other sources and uses:</b>		
Proceeds from bond issuance	-	6,485,000
Transfer to Self-Insurance Claims Fund	(442,319)	-
Transfer to Self-Insurance Premium Fund	(406,404)	(418,616)
 Total other sources and uses	 (848,723)	 6,066,384
 Net Change in Fund Balance	 (728,501)	 6,009,749
 Fund balance - beginning of year	 10,053,408	 4,043,659
 Fund balance - end of year	 \$ 9,324,907	 \$ 10,053,408

**LASALLE COUNTY SELF-INSURANCE TRUST**  
**PREMIUM RESERVE FUND**  
**Statements of Revenues, Expenditures and**  
**Changes in Fund Balances**  
Year Ended November 30, 2012

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	<b>Year Ended November 30,</b>	
	<b>2012</b>	<b>2011</b>
<b>Revenue:</b>		
Interest income	\$ 26,456	\$ 36,400
Unrealized gain (loss) on investments	(72,530)	21,373
Realized gain (loss) on investment sales	<u>(41,932)</u>	<u>(17,266)</u>
 Total revenue	 <u>(88,006)</u>	 40,507
 <b>Expenditures:</b>		
Administrative and advisory fees	-	24,994
 Total expenditures	 -	 24,994
 Excess of revenues over (under) expenditures	 <u>(88,006)</u>	 15,513
 <b>Other financing sources (uses):</b>		
Transfer from/(to) Self-Insurance Claims Fund	-	(1,056,588)
Transfer from/(to) Self-Insurance 2004 Levy Abatement Fund	-	(257,322)
Transfer from Self-Insurance Principal Fund	<u>406,404</u>	<u>418,616</u>
 Total other financing sources (uses)	 406,404	 (895,294)
 Net change in fund balance	 318,398	 (879,781)
 Fund balance - beginning of year	 <u>986,127</u>	 1,865,908
 Fund balance - end of year	 <u>\$ 1,304,525</u>	 <u>\$ 986,127</u>

**LASALLE COUNTY SELF-INSURANCE TRUST**  
**PRINCIPAL FUND**  
**Statements of Assets, Liabilities and Fund Balances**  
November 30, 2012

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	<b>Year Ended November 30,</b>	
	<b>2012</b>	<b>2011</b>
<b><u>Assets</u></b>		
Cash in bank	\$ -	\$ -
Investments	<u>9,324,907</u>	<u>10,053,408</u>
	<b><u>9,324,907</u></b>	<b><u>10,053,408</u></b>
<b><u>Fund Balance</u></b>		
Fund balance - restricted	<u>\$ 9,324,907</u>	<u>\$ 10,053,408</u>
Total liabilities and fund balances	<b><u>9,324,907</u></b>	<b><u>10,053,408</u></b>

**LASALLE COUNTY SELF-INSURANCE TRUST**  
**PREMIUM RESERVE FUND**  
**Statements of Assets, Liabilities and Fund Balances**  
November 30, 2012

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	<b>Year Ended November 30,</b>	
	<b>2012</b>	<b>2011</b>

**Assets**

Cash in bank	\$ -	\$ -
Investments	<u>1,304,525</u>	<u>986,127</u>
<b>Total assets</b>	<b>\$ 1,304,525</b>	<b>\$ 986,127</b>

**Fund balances**

Fund balance - restricted	\$ 1,304,525	\$ 986,127
<b>Total fund balances</b>	<b>\$ 1,304,525</b>	<b>\$ 986,127</b>

**LASALLE COUNTY SELF-INSURANCE TRUST**  
**Non-Major Governmental Funds**  
**Combined Statements of Assets, Liabilities and Fund Balances**  
November 30, 2012

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	Claims Fund	Earnings Fund	2004 Levy Abatement Fund	Total November 30,	
				2012	2011
<b><u>Assets</u></b>					
Cash in bank	\$ 48,667	\$ -	\$ -	\$ 48,667	\$ 114,024
Investments	<u>-</u>	<u>2</u>	<u>1,248,242</u>	<u>1,248,244</u>	<u>1,278,051</u>
<b>Total assets</b>	<b>\$ 48,667</b>	<b>\$ 2</b>	<b>\$ 1,248,242</b>	<b>\$ 1,296,911</b>	<b>\$ 1,392,075</b>
<b><u>Liabilities</u></b>					
Claims payable	\$ 150,000	\$ -	\$ -	\$ 150,000	\$ -
<b>Total liabilities</b>	<b>\$ 150,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 150,000</b>	<b>\$ -</b>
<b><u>Fund Balances</u></b>					
Fund balance - restricted	\$ (101,333)	\$ 2	\$ 1,248,242	\$ 1,146,911	\$ 1,392,075
<b>Total fund balances</b>	<b>\$ (101,333)</b>	<b>\$ 2</b>	<b>\$ 1,248,242</b>	<b>\$ 1,146,911</b>	<b>\$ 1,392,075</b>

**LASALLE COUNTY SELF-INSURANCE TRUST**  
**Non-Major Governmental Funds**  
**Statements of Revenues, Expenditures, and Changes in Fund Balances**  
**Year Ended November 30, 2012**

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	Claims Fund	Earnings Fund	2004 Levy Abatement Fund	Total November 30,	
				2012	2011
<b><u>Revenue</u></b>					
Interest income	\$ -	\$ -	\$ 24	\$ 24	\$ 1,155
Miscellaneous	<u>2,679</u>	<u>-</u>	<u>-</u>	<u>2,679</u>	<u>29,477</u>
<b>Total Revenue</b>	<b><u>2,679</u></b>	<b><u>-</u></b>	<b><u>24</u></b>	<b><u>2,703</u></b>	<b><u>30,632</u></b>
<b><u>Expenditures</u></b>					
Administrative and advisory fees	-	-	-	-	317
Bond principal	-	-	880,000	880,000	855,000
Interest expense	-	-	430,425	430,425	137,831
Insurance premiums and claims	<u>830,920</u>	<u>-</u>	<u>-</u>	<u>830,920</u>	<u>1,053,267</u>
<b>Total Expenditures</b>	<b><u>830,920</u></b>	<b><u>-</u></b>	<b><u>1,310,425</u></b>	<b><u>2,141,345</u></b>	<b><u>2,046,415</u></b>
Excess of revenues over (under) expenditures	<u>(828,241)</u>	<u>-</u>	<u>(1,310,401)</u>	<u>(2,138,642)</u>	<u>(2,015,783)</u>
Other financing sources and uses:					
Contribution from County General Fund	-	-	1,451,139	1,451,139	1,020,527
Transfers from Self-Insurance Earnings Fund	20	-	-	20	1,137
Transfers from Self-Insurance Premium Reserve Fund	442,319	-	-	442,319	1,313,910
Transfers to Self-Insurance Claims Fund	-	(20)	(170,545)	(170,565)	(1,137)
Transfers from Self-Insurance 2004 Levy Abatement Fund	170,545	-	-	170,545	-
Transfers from Self-Insurance Principal Fund	-	-	-	-	-
<b>Total other financing sources and uses</b>	<b><u>612,884</u></b>	<b><u>(20)</u></b>	<b><u>1,280,594</u></b>	<b><u>1,893,458</u></b>	<b><u>2,334,437</u></b>
<b>Net change in fund balance</b>	<b><u>(215,357)</u></b>	<b><u>(20)</u></b>	<b><u>(29,807)</u></b>	<b><u>(245,184)</u></b>	<b><u>318,654</u></b>
<b>Fund balance - restricted</b>					
Beginning of year	<u>114,024</u>	<u>2</u>	<u>1,278,049</u>	<u>1,392,075</u>	<u>1,073,421</u>
<b>Fund balance - restricted</b>					
End of year	<u><b>\$ (101,333)</b></u>	<u><b>\$ (18)</b></u>	<u><b>\$ 1,248,242</b></u>	<u><b>\$ 1,146,891</b></u>	<u><b>\$ 1,392,075</b></u>

**LASALLE COUNTY SELF-INSURANCE TRUST**  
**CLAIMS FUND**  
**Statements of Assets, Liabilities and Fund Balances**  
November 30, 2012

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	<b>Year Ended November 30,</b>	
	<b>2012</b>	<b>2011</b>
<b><u>Assets</u></b>		
Cash in bank	\$ 48,667	\$ 114,024
Investments	-	-
 Total assets	 \$ 48,667	 \$ 114,024
 <b><u>Liabilities</u></b>		
Claims payable	\$ 150,000	\$ -
 Total liabilities	 \$ 150,000	 \$ -
 <b><u>Fund Balance</u></b>		
Fund balance - restricted	\$ (101,333)	\$ 114,024
 Total fund balances	 \$ (101,333)	 \$ 114,024

**LASALLE COUNTY SELF-INSURANCE TRUST**  
**CLAIMS FUND**  
**Statements of Revenues, Expenditures, and Changes in Fund Balance**  
**Year Ended November 30, 2012**

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	<b>Year Ended November 30,</b>	
	<b>2012</b>	<b>2011</b>
<b><u>Revenue</u></b>		
Interest income	\$ -	\$ -
Miscellaneous receipts	2,679	29,477
 Total revenues	 2,679	 29,477
 <b><u>Expenditures</u></b>		
Administrative and advisory fees	-	-
Insurance premiums and claims	830,920	1,053,267
 Total expenditures	 830,920	 1,053,267
 Excess of revenues over (under) expenditures	 (828,241)	 (1,023,790)
 Other financing sources and uses:		
Transfer from Self-Insurance Principal Fund	-	-
Transfer from Self-Insurance Premium Reserve Fund	442,319	1,056,588
Transfer from Self-Insurance 2004 Levy Abatement Fund	170,545	-
Transfer from Self-Insurance Earnings Fund	20	1,137
 Total other financing sources and uses	 612,884	 1,057,725
 Net Change in Fund Balance	 (215,357)	 33,935
 Fund balance - beginning of year	 114,024	 80,089
 Fund balance - end of year	 <b>\$ (101,333)</b>	 <b>\$ 114,024</b>

**LASALLE COUNTY SELF-INSURANCE TRUST**  
**EARNINGS FUND**  
**Statements of Assets, Liabilities and Fund Balances**  
November 30, 2012

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	<b>Year Ended November 30,</b>	
	<b>2012</b>	<b>2011</b>
<b><u>Assets</u></b>		
Cash in bank	\$ -	\$ -
Investments	<u>2</u>	<u>2</u>
Total assets	<u><u>\$ 2</u></u>	<u><u>\$ 2</u></u>
 <b><u>Fund Balance</u></b>		
Fund balance - restricted	\$ 2	\$ 2
Total fund balances	<u><u>\$ 2</u></u>	<u><u>\$ 2</u></u>

**LASALLE COUNTY SELF-INSURANCE TRUST**  
**EARNINGS FUND**  
**Statements of Revenues, Expenditures, and Changes In Fund Balances**  
Year Ended November 30, 2012

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	<b>Year Ended November 30,</b>	
	<b>2012</b>	<b>2011</b>
<b><u>Revenues</u></b>		
Interest	\$ 20	\$ 1,138
Total revenue	<u>20</u>	<u>1,138</u>
<b><u>Expenditures</u></b>		
Fees	-	-
Total expenditures	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>20</u>	<u>1,138</u>
Other financing sources (uses):		
Transfer to Self-Insurance Claims Fund	<u>(20)</u>	<u>(1,137)</u>
Total other financing sources (uses)	<u>(20)</u>	<u>(1,137)</u>
Net change in fund balance	-	1
Fund balance - beginning of year	<u>2</u>	<u>1</u>
Fund balance - end of year	<u>\$ 2</u>	<u>\$ 2</u>

**LASALLE COUNTY SELF-INSURANCE TRUST**  
**LEVY ABATEMENT FUND**  
**Statements of Assets and Liabilities and Fund Balances**  
November 30, 2012

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	<b>Year Ended November 30,</b>	
	<b>2012</b>	<b>2011</b>
<b><u>ASSETS</u></b>		
Cash in bank	\$ -	\$ -
Investments	<u>1,248,242</u>	<u>1,278,049</u>
Total assets	<u><u>1,248,242</u></u>	<u><u>1,278,049</u></u>
<b><u>FUND BALANCE</u></b>		
Fund balance - restricted	\$ 1,248,242	\$ 1,278,049
Total fund balances	<u><u>1,248,242</u></u>	<u><u>1,278,049</u></u>

**LASALLE COUNTY SELF-INSURANCE TRUST**  
**LEVY ABATEMENT FUND**  
**Statements of Revenues, Expenditures, and Changes In Fund Balances**  
Year Ended November 30, 2012

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	<b>Year Ended November 30,</b>	
	<b>2012</b>	<b>2011</b>
<b><u>Revenues</u></b>		
Interest income	\$ 24	\$ 17
Total revenue	<u>24</u>	<u>17</u>
<b><u>Expenditures</u></b>		
Administrative and advisory fees	-	317
Bond principal	880,000	855,000
Interest expense	<u>430,425</u>	<u>137,831</u>
Total expenditures	<u>1,310,425</u>	<u>993,148</u>
Excess of revenues over (under) expenditures	<u>(1,310,401)</u>	<u>(993,131)</u>
Other financing sources (uses):		
Transfer from Self-Insurance Premium Reserve Fund	-	257,322
Transfer to Self-Insurance Claims Fund	(170,545)	-
Contribution from LaSalle County General Fund	<u>1,451,139</u>	<u>1,020,527</u>
Total other financing sources (uses)	<u>1,280,594</u>	<u>1,277,849</u>
Net change in fund balance	(29,807)	284,718
Fund balance - beginning of year	<u>1,278,049</u>	<u>993,331</u>
Fund balance - end of year	<u>\$ 1,248,242</u>	<u>\$ 1,278,049</u>