

ST. CLAIR COUNTY

ILLINOIS



ANNUAL AUDIT REPORT

For the Fiscal Year Ended December 31, 2018

ST. CLAIR COUNTY, ILLINOIS
Comprehensive Annual Financial Report
For the year ended December 31, 2018

Prepared by the Auditor's Office of St. Clair County

ST. CLAIR COUNTY, ILLINOIS
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INTRODUCTORY SECTION



PATTY A. SPRAGUE

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August 26, 2019

To the Honorable Chairman, Members of the Board,
and the Citizens of St. Clair County,

We hereby issue the annual financial report of St. Clair County, Illinois for the fiscal year ended December 31, 2018, in conformity with accounting principles generally accepted in the United States of America (GAAP). The financial statements have been audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of St. Clair County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient, reliable information for the preparation of St. Clair County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Scheffel Boyle, a firm of licensed certified public accountants, has audited St. Clair County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of St. Clair County, Illinois, for the year ended December 31, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an opinion that the financial statements for the year ended December 31, 2018 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in St.

Clair County's separately issued Single Audit Report and may be obtained in the County Board Office.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and, accordingly, should be read in conjunction with it. St. Clair County's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

St. Clair County, Illinois was incorporated on April 27, 1790. It is Illinois' first county having been created 28 years prior to the State being created. It is located along the Mississippi River across from St. Louis, Missouri. The County encompasses 673 square miles of both rural and urban areas. Its largest city is the City of Belleville, which is also the county seat. The County is the tenth largest in the state with a population of approximately 262,500 and is the second largest south of the greater Chicagoland region.

The County is comprised of 21 townships that lie in 29 County Board districts. Board members are elected to serve four-year staggered terms. The County Board Chairman is elected at large to a four-year term. This Board is responsible for, among other things, passing ordinances and adopting the budget. The Chairman is responsible for carrying out the policies and ordinances of the Board, overseeing day-to-day operations of the government, and for appointing the heads of the various departments. The Chairman also makes committee assignments and appoints ad hoc committees.

Oversight of other County government offices and the judiciary is the responsibility of the following elected county officials: Assessor, Auditor, Board of Review Members, Circuit Clerk, Circuit Judges, County Clerk, Coroner, Recorder of Deeds, Sheriff, States Attorney, Superintendent of Schools, and the Treasurer. The County Treasurer acts as the County Collector for purposes of property tax collection and distribution as well as the Treasurer. These officials are elected to four-year staggered terms, except the Board of Review members who are elected to staggered six-year terms.

St. Clair County provides a wide range of services including police protection, jail and juvenile detention home operations, emergency service and dispatch, court services, health and welfare services, highway construction and maintenance, building inspection, parks, economic development and planning services. The County is not involved in hospital or nursing home operations. The County also operates MidAmerica St Louis Airport, a joint military-civilian use airport facility adjacent to Scott Air Force Base.

The annual budget is on the cash basis and serves as the foundation for the County's financial planning and control. All departments of the County are required to submit requests for appropriation on a cash basis to the County Administrator each year. The Administrator uses these requests as a starting point for developing a proposed budget. The Finance Committee of the County Board works with the County Board Chairman, Administrator, and the department heads to finalize a budget proposal for presentation to the full Board for approval. The approved budget is by fund and department on a line-item basis. The Finance Committee reviews all budget transfers and transfers from the contingency line are presented to the full Board for approval. Budget to actual comparisons are provided in this report for all major funds.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which St. Clair County operates.

The County continues to adjust its operations due to the current economic environment of the State of Illinois and the County. State actions to improve the State's revenue position continue: reductions in its distributive share to local units of government and shifting its financial responsibilities to local governments. In addition, other State legislative actions, especially those related to the courts, election requirements, and property tax exemptions, have dramatically affected revenues and operating costs.

The County had made concentrated efforts to hold down property taxes by reducing costs when possible and using reserves. Real estate taxes collected in 2018 were \$38.8 million; however, property tax revenues continue to be impacted by the use of Tax Increment Financing (TIF) agreements by its municipalities. Designed as a tool to promote economic development, growth in tax revenues from increased valuations have been impacted by the existence of 65 TIF districts resulting in lost County tax revenues of \$4.4 million for taxes collected in 2018 and an estimated \$4.6 million for 2019. For all real estate taxes collected in 2018, amounts distributed to TIF districts accounted for 13.88% while those distributed to schools was 60.11% and 10.43% went to County funds.

In addition to lost revenues relating to TIFs, the recent state mandated veteran's 100% property tax exemption, which has no income eligibility requirement, resulted in a negative revenue effect of \$1.2 million in 2018. The 2019 impact is expected to be nearly \$2 million, using the current tax rates. These again are only the amounts applicable to the County's portion of tax bills. Any reductions in taxable values, whether it is from TIFs or exemptions, cause increases in taxes paid by other taxpayers who do not receive the exemptions to keep current County services.

The County's unemployment rate for its entire labor force for December 2018 was 5.4%. Due to its varied industries and its proximity to St. Louis, the metropolitan region's rate was 5.1%. The rate for the State of Illinois was 4.4%. The County provides industrial, manufacturing, service and agricultural employment and has a highly skilled workforce.

Scott Air Force Base is the largest employer with 13,000 government, civilian, and military employees and has an annual economic impact of more than \$3 billion. The County/Airport owns approximately 6,000 acres surrounding Scott Air Force Base on three sides. The Community understands the importance of the Base and County leadership has helped avoid any encroachment on base property. This has been the #1 criteria cited in previous base closure discussions. The Base continues to expand bringing additional jobs to the County. A regional, civilian task force, co-created by the County Board Chairman, has helped promote this expansion. The County Board Chairman was awarded the **2018 Community Leadership Award** from the national Association of Defense Communities for his work building a military-community partnership that enhances the mission of an active installation.

There continues to be growth and development in the County. A significant development was completed on the East St. Louis-Mississippi riverfront known as the River Bridge District. Using both public and private funds, road reconstruction and realignment now provides access to large tracts of land for commercial and industrial development. Along with the Casino Queen, the four agri-business giants known as ABCD are now located or expanding on the riverfront: A is Archer Daniels Midland (Sauget), B is Bunge (Fairmont City), C is Cargill (East St. Louis), and D is Louis Dreyfus (Cahokia). In addition, Illinois American Water Company added another \$9 million investment to its infrastructure as part of the overall project. Although smaller, but still significant, Continental Grain is also expanding on the Cahokia riverfront. Other significant growth continues in the eastern part of the County with continued expansions made at Scott Air Force Base and

MidAmerica St. Louis Airport and the completion of St Elizabeth's and Memorial Hospitals. Memorial's capacity to serve area residents has been enhanced with its BJC Healthcare affiliation and the planned construction of a Washington University School of Medicine Siteman Cancer Center on its east campus.

The County is in the center of major transportation networks. Highway interstates 64, 55/70, and 255 are supplemented by many other U.S. and state highways. There are multiple bridges across the Mississippi River providing highway connections between St. Clair County and the City of St. Louis. Five Class 1 railroads and two Class 3 railroads provide rail freight service to the area. Amtrak currently serves residents who wish to travel from current stations in downtown St. Louis or Alton, Illinois. The Mississippi and Kaskaskia Rivers provide barge freight service connecting the Great Lakes and the St. Lawrence Seaway to the Gulf of Mexico.

In addition, two airports are located in the County: St Louis Downtown Airport and MidAmerica St. Louis Airport (MidAmerica). St Louis Downtown Airport is the base for several service, MRO, and charter operations. MidAmerica is one of Illinois' 13 primary airports and chosen as the **2018 Primary Airport of the Year** by the Illinois Department of Transportation's Department of Aeronautics. Along with scheduled passenger service, MidAmerica and Scott Air Force Base jointly operate a civilian/military airport hosting scheduled and charter passenger service, charter cargo service, general aviation, and military operations. MidAmerica provides the Air Force not only a second runway, but also a longer runway (12,000 feet) that accommodates the growing size of both military and commercial aircraft. Allegiant Airlines provides passenger service. The airline has continued to expand its passenger services since 2014 and continues in 2018 with nine destinations from MidAmerica. Another destination will begin in November, 2019. An aircraft maintenance operation is based at the airport and Boeing has certain aircraft parts manufacturing operations in a 50,000 square foot facility. In 2019, Boeing expanded development operations bringing nearly 100 more employees to its MidAmerica location. The Illinois State Police hanger is the base for various law enforcement operations and the Illinois Army Guard's "MidAmerica Armory" also resides at the Airport. The Airport holds a foreign trade-zone location designation and has a Customs and Border Patrol facility on site. A 56,000 square foot refrigerated warehouse houses North Bay Produce that operates a redistribution center for perishable fruits and vegetables. North Bay Produce looks to expand its international import/export activities of perishable goods. International cargo operations continue to be considered as overseas markets are looking for American produce.

A commuter mass-transit system connects St. Clair County to St. Louis, Missouri. The system currently links St. Louis Lambert International Airport to Scott Air Force Base in Mascoutah, Illinois, which is adjacent to the MidAmerica St. Louis Airport. Additional expansion of MetroLink in Missouri has increased connections to other southwest St. Louis County locations. In 2019, plans for the extension of the commuter system to the civilian air terminal by the St. Clair County Transit District in conjunction with the State have started.

St. Clair County has several institutions of higher education within its borders as well as the exceptional educational opportunities in neighboring St. Louis, Missouri including but not limited to Washington University in St Louis and St. Louis University. Southern Illinois University at Edwardsville is located approximately 20 miles north of the County. Located in the County, Southwestern Illinois College is a community college offering various associate degrees while McKendree University, the oldest college in Illinois, offers more advanced degrees.

Long-term Planning

As development continues to expand along the Interstate 64 corridor, the County has invested millions of dollars to expand roadways to better connect various parts of the County and facilitate travel for its residents. A major interchange was completed in late 2017 by the County/State near Scott Air Force Base/MidAmerica St. Louis Airport. This interchange facilitates current expansion at the Base and is expected to increase commercial development in the area where the County

owns significant acreage. It is estimated that the value of the County's investment in the property around the airport has already risen substantially in the last few years. Leaders continue to work diligently to expand mass transit by securing federal funding for the expansion of the MetroLink mass transit system, as previously discussed, in addition to providing certain sales tax revenue earmarked for the Bi-State Transit District growth.

The County, along with other adjacent communities, was able to establish a special flood prevention district funded primarily by a sales tax to improve existing levies along the Mississippi River. Representatives of these metro-east communities formed a task force to work closely with the Corps of Engineers to mitigate flood hazards in areas along the river. These improvements have become especially critical, as more than \$50 million has been invested in the expansion of barge/rail/truck terminals within the County along the Mississippi River with more projects in the engineering phases. This tax has a sunset clause of 2040.

As development in the County continues, the needs of County government also increase. The County continued to expand its 911 emergency systems and road systems in 2018. A new interchange to be built on Interstate 255 at Dupu will be funded by the State of Illinois and will progress in 2019. Operating and storage needs as well as building repairs, improvements and renovations are under constant evaluation. The County, in conjunction with the Public Building Commission, has compiled a list of major upgrades for existing buildings under its five-year plan detailing certain renovations and improvements that include significant structural and security modifications and upgrades that have already begun. With continual changes in technology, all IT systems and related infrastructure are also under constant review. Substantial investments are planned for upgrades and improvements.

The County continues to explore development opportunities for the region, especially at MidAmerica St. Louis Airport, in conjunction with the expansion of Scott Air Force Base (Scott). The military base is the #1 employer in the County. Military, County and other local leaders continue to work on joint-use planning. Built as a joint-use facility, the connection between the Scott runway and the runway at MidAmerica St Louis Airport provides the military additional runway space. Expansion of military activities at the base over the last several years has led to increased personnel working at the base and the expansion of military housing. Solar power farms are being considered as possible use for land adjacent to the Base and the Airport to support both installations.

MidAmerica St Louis Airport has a Customs and Border Patrol facility to comply with stricter requirements under Homeland Security regulations. U.S. legislators from Illinois and other local leaders were able to secure an international port of entry status for MidAmerica. The cargo facilities that can accommodate both dry and refrigerated commodities, will allow for operations for importing and exporting perishable fruits and vegetables. Concentrated efforts to bring scheduled international cargo flights continue as well as increasing passenger service, both domestic and international.

Passenger service continues to expand leading to the increased collection of Passenger Facility Charges and eligibility for additional Airport Improvement funding from the FAA. Enplanements grew from 33,000 passengers in 2015 to 82,000 in 2016 and more than 153,000 in 2018. Enplanements are expected to be in excess of 160,000 in 2019. As normally reported by airports, this translates into 320,000 passengers going through the MidAmerica terminal.

With the rapid growth at the Airport, the FAA and the Transportation Security Administration (TSA) have been watching closely. In 2017, the TSA invested more than \$1 million dollars in new and expanded security/screening equipment to accommodate the increased number of passengers and their luggage. The County, State, and the FAA are also looking seriously at a possible terminal expansion project. The County upgraded the passenger gates and expanded the concession area and seating at the gates and the parking lots over the past several years. In 2018, the Airport began charging for parking to help fund the expansions. The rental car company

that currently services the Airport has already increased their footprint at the Airport and is looking to further expansion. The Airport is currently in the process of updating their Master Plan documents as part of the FAA requirements. From the study, the County expects other opportunities will be highlighted for future growth.

Cash Management Policies and Practices

The County Treasurer concentrates on ensuring that cash balances are invested at all times. Cash balances fluctuate considerably during the year due predominantly to the timing of real estate tax collections, but delayed or decreased state revenues and increasing operational costs and debt service have reduced average cash balances. The Treasurer pools the money from all funds of the County to maximize investment opportunities using certificates of deposit, money markets, U.S. obligations, commercial paper, repurchase agreements, and the State Treasurer Pool. State statutes and collateral requirements of the County's investment policy, both established to protect public funds, limit investment options. The Treasurer continues to monitor his options as investments mature as well as determining the short and long-term investment opportunities. As the federal rates continue to be low, long-term investments available to the County may not be practical at this time.

Interest rates and investment earnings also have an impact on the County's plans for acquiring and retiring debt. With the current problems at the state, interest rates for borrowing currently available for those in Illinois may not be attractive; however, the County continues to monitor the opportunities of refinancing.

Risk Management

St. Clair County maintains self-insurance programs for employee medical, tort, and worker's compensation. The County purchases commercial insurance for excess coverage over the self-insured retention amounts and has elected to fully insure selected exposures. The County uses a third party actuary and insurance consultants to help determine funding requirements based on trends in actual claims experience, stop loss coverage, and provision for catastrophic losses.

The County continues to make concentrated efforts to control insurance costs through its self-insurance programs. Costs had been rising significantly each year and the County is in constant review of its coverages, deductibles, legal fees, brokers, and other ways to reduce costs including petitioning legislators regarding workmen's compensation reform. The insured assets and activities of the County continue to increase thereby increasing the overall insurance exposures and costs for the County. Premium expense for governmental activities for general liability, property, and worker's compensation insurance decreased from \$1,767,000 in 2017 to \$1,282,000 in 2018. Airport insurance premium expenses decreased from \$487,000 in 2017 to \$417,000 in 2018. However, self-insured claims increased by more than \$1.3 million. Trying to maximize the cost benefits, the County continues to explore other plan options and vendors in the marketplace and changes in operational activities to minimize exposures.

The County has been aggressive in its attempts to curtail rising employee medical costs while still providing good benefits. Claims and premium costs have seen dramatic changes and fluctuation in recent years. In addition to rising medical costs, the number and types of medical incidents affect the annual costs. The 2018 claims costs and premiums, net of stop loss reimbursements, were \$12.5 million while costs in 2017 were \$12.2 million. Changes have been made to the pharmaceutical broker/consultant arrangement in anticipation of certain cost saving while an on-site healthcare center is being considered. The County continues to review the current and long-term effects of changes in retiree medical benefits as part of the annual actuarial study. The County funds, on an actuarially basis, future medical costs for current and future participating retirees. This is done in an attempt to minimize the cost burden in later years. The funding requirements include current and prior service costs. This is expected to increase as medical

costs and the number of retirees increases. The County continues to take steps to monitor dependant coverage and review other service options as it struggles to minimize the effects of federal mandates regarding healthcare; however, it is not possible to anticipate how these mandates might change.

Employee Retirement System

The County is a participating member, by state statute, in a contributory multi-employer retirement plan administered by the Illinois Municipal Retirement Fund (IMRF), which covers all employees who meet certain criteria. The annual County contribution is based upon rates fixed annually by IMRF to provide funding of prior service costs, including interest, as determined actuarially, over a period of not more than thirty years. The County continues to pay its annual required contribution each year as actuarially determined by IMRF for all three plans: Regular, Special Law Enforcement (SLEP) and Elected County Officials (ECO). From 2003 to 2018, the rates have changed as follows: Regular employees, .96% to 10.91%; SLEP (law enforcement), 12.80% to 21.13%; and ECO (elected officials), 44.31% to 50.06%. The rates for 2019 are 7.95%, 20.62%, and 51.27%, respectively, and expected to jump up again for 2020.

In 2017, the County implemented a new governmental accounting standard related to reporting other post-employment benefits (OPEB) costs and related liabilities in addition to those related to pensions. These GASB pronouncements require state and local governments to report their net pension/OPEB liabilities and associated deferrals on the face of their financial statements. Each year the estimated liabilities and related deferrals for both IMRF and OPEB are recalculated and the net change is included in the expenses on the Statement of Activities. For 2018, the net adjustment for pension/OPEB expenses was a reduction of \$1.4 from the contributions made of \$5.6 million for the primary government. At December 31, 2018, the estimated net pension/OPEB liability was \$43 million with net deferral reduction of \$19.3 million.

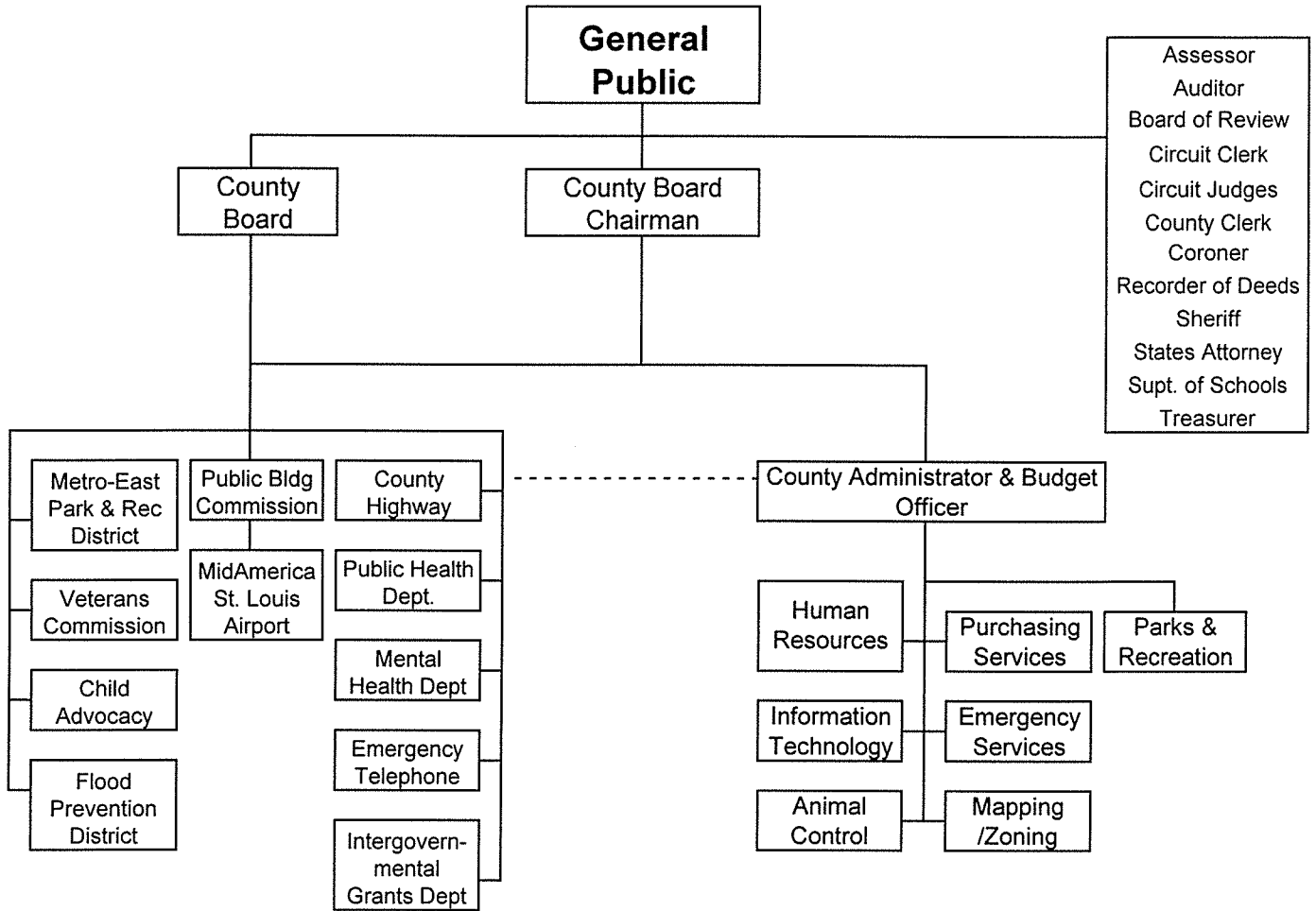
The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the St. Clair County Auditor's office and the Administration. We would like to express our appreciation to those who assisted and contributed to the preparation of this report. Credit also must be given to the Chairman and County Board for their support for maintaining integrity and ethical values and for their commitment to competence and professionalism in the management of St. Clair County finances.

Respectfully,



Patty A. Sprague
St. Clair County Auditor

St. Clair County, Illinois
Organizational Chart
 December 31, 2018



ST. CLAIR COUNTY, ILLINOIS

Principal Officials

December 31, 2018

County Board Members

DIST	BOARD MEMBER	DIST	BOARD MEMBER
1	Robert Allen Jr.	16	June Chartrand
2	Joan McIntosh	17	Steve Gomric
3	Willie Dancy	18	Matt Smallheer
4	Nicholas J. Miller	19	Jana Moll
5	Lonnie Mosley	20	Kevin Dawson
6	Roy Mosley Jr.	21	Dean Pruett
7	Ed Cockrell	22	Michael O'Donnell
8	Ken Easterley	23	Richie Meile
9	C. Richard Vernier	24	Marty Crawford
10	Paul Seibert	25	James Haywood
11	Jerry Dinges	26	Scott Tieman
12	Susan Gruberman	27	Ken Sharkey
13	Stephen Reeb	28	Scott Greenwald
14	Robert Trentman	29	Carol Clark
15	John West		

Other Elected Officials

Mark Kern, County Board Chairman
Tom Holbrook, County Clerk
Kahalal Clay, Circuit Clerk
Andy Lopinot, County Treasurer
Patty Sprague, County Auditor
Brendan Kelly, State's Attorney
Michael T. Costello, Recorder of Deeds
Calvin Dye, County Coroner
Susan Sarfaty, Regional Supt. of Schools
Rick Watson, Sheriff
Jennifer Gomric-Minton, County Assessor
Angela Grossmann-Roewe, Board of Review
Jim Wilson, Board of Review
Michael Crockett, Board of Review
Andrew Gleeson, Chief Judge of the Circuit Court

Appointed Officials

Debra Moore, Director of Administration
Barbara Hohlt, Public Health Administrator
Dana Rosenzweig, Executive Director, Mental Health Board
Terry Beach, Director, Intergovernmental Grants/Economic Development
Norm Etling, Superintendent of Highways
Dave Lang, Director, Data Processing
Laura Frederick, Manager, Central Services
Frank Bergman, Manager, Human Resources
Anne Markezich, Director, Zoning/Mapping & Platting
Herb Simmons, Emergency Services & Disaster Agency
Greg Norkus, Probation
Don Schaefer, Detention Home
Jim Jacquot, Animal Control
Bryan Buehlhorn, Parks
Jim Brede, Director of Buildings

FINANCIAL SECTION



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON

INDEPENDENT AUDITOR'S REPORT

Mr. Mark Kern, Chairman
St. Clair County Board
Belleville, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of St. Clair County, Illinois (County), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County's primary government 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of St. Clair County Intergovernmental Grants Department, which represents 33.2 percent, 8.7 percent, and .4 percent, respectively, of the assets, net position, and general revenues of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for St. Clair County Intergovernmental Grants Department, is based solely on the report of the other auditors. 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information for St. Clair County, Illinois, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11, the pension plan information on pages A1-A5, the other post employment benefit information on pages A6-A8, the budgetary comparison information on pages A9 through A12 and the Notes to Required Supplementary Information on page A13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise St. Clair County's basic financial statements. The introductory section, combining and individual fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Mr. Mark Kern, Chairman
St. Clair County Board
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The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

A handwritten signature in cursive script that reads "Scheffel Boyle".

Scheffel Boyle
Belleville, Illinois
August 26, 2019

ST. CLAIR COUNTY, ILLINOIS

Management's Discussion and Analysis

December 31, 2018

As management of St. Clair County, Illinois, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with our letter of transmittal at the front of this report and the County's financial statements, which follow this section. It should also be noted that the financial statements for 2018 included the activities of the Public Building Commission as a blended component unit in compliance with accounting principles generally accepted in the United States of America. The discussions as noted in this management discussion and analysis will focus only on the primary government.

Financial Highlights

- The assets of St. Clair County exceeded its liabilities at the close of the year by \$308,992,000 (net position). Of this amount, \$119,985,000 is restricted for specific purposes of governmental activities. \$210,914,000 accounts for the net capital assets less related debt.
- The County net position increased \$8 million for governmental activities in 2018 with decreased revenues of \$767,000 and a reduction in expenses of \$608,000.
- Increased passenger service at the Airport has resulted in more than \$1.1 million in additional gross revenues from landing fees, fuel sales, passenger facility charges, grants, and related concession revenues while expenses rose \$1.2 million.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to private-sector business.

The *statement of net position* presents information on all of the County's assets and liabilities, and deferred inflows/outflows of resources with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of St. Clair County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of St. Clair County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, transportation, judicial and public health. The business-type activities of the County are the MidAmerica St. Louis Airport operations.

The government-wide financial statements discretely present the financial information for the County's component units: St. Clair County Intergovernmental Grants Department, which includes a consortium of multiple counties, and the Flood Prevention District. Separately issued audited financial statements for the Grants Department may be obtained from their administrative offices at 19 Public Square, Belleville, Illinois 62220. Separately issued audited financial statements for the Flood District may be obtained from the County Board office at 10 Public Square, Belleville, Illinois 62220.

The government-wide financial statements can be found on pages 12-14 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the *near-term inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Classifications of expenditures within functions in the governmental fund statements are based on the County's budget document. Certain costs reported as general government expenditures in the funds statements have been distributed to the various functions for the government-wide financial statements reporting purposes. These include employee social security, retirement, and insurance benefits, occupancy costs, supplies, and other insurance costs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains multiple governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Lease Payable Fund, Transportation Fund and the Debt Service Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages B7-B17 of this report.

The basic governmental fund financial statements can be found on pages 15-18 of this report.

Proprietary funds. The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses an enterprise fund to account for its Airport operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions, including employee medical self-insurance, unemployment, and occupancy costs. The services provided by these funds predominantly benefit the governmental rather than the business-type functions. They have been included with the governmental activities in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the MidAmerica St. Louis Airport. The Airport is considered to be a major fund of St. Clair County. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements on pages B18-B22 of this report.

The basic proprietary funds financial statements can be found on pages 19-23 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. Details can be found on pages B23-B24.

The basic fiduciary fund financial statements can be found on pages 24-25 of this report.

Notes to the financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 26.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning St. Clair County beginning on page A1. The County adopts an annual appropriated budget on the cash basis for its governmental funds. Budgetary comparison schedules have been provided for the General, the Transportation, the Lease Payable, and the Debt Service funds to demonstrate compliance with the budget on pages A9-A12. Budgetary comparison for the non-major governmental funds can be found as part of the combining statements.

The combining statements referred to earlier in connection with non-major governmental funds, internal service funds, and the fiduciary funds are presented immediately following the required supplemental information. Combining and individual fund statements and schedules can be found on pages B1-B25 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of St. Clair County, assets exceeded liabilities by \$308,992,000 at the close of 2018.

The governmental activities' total assets/deferred outflows account for nearly 75% of total assets/deferred outflows of the County; 72% of the liabilities/deferred inflows; and 78% of net position. Approximately 51% of total assets are invested in capital assets of which nearly 46% is attributable to the Airport.

St. Clair County's Net Position

(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current assets	\$ 212,991	\$ 207,384	\$ (1,400)	\$ (1,806)	\$ 211,591	\$ 205,578
Restricted assets	311	311	527	1,448	838	1,759
Other non-current assets	43	86	(43)	(86)	-	-
Capital assets	151,490	150,877	127,380	131,481	278,870	282,358
Total assets	364,835	358,658	126,464	131,037	491,299	489,695
Deferred outflows-pension/OPEB	31,273	10,580	473	64	31,746	10,644
Deferred outflows-other	1,060	1,219	7,668	8,457	8,728	9,676
Total assets/deferred outflows	397,168	370,457	134,605	139,558	531,773	510,015
Current liabilities	16,841	17,285	3,510	3,240	20,351	20,525
Net pension/OPEB liabilities	42,361	8,039	592	(297)	42,953	7,742
Other long-term liabilities	44,351	45,921	60,802	62,486	105,153	108,407
Total liabilities	103,553	71,245	64,904	65,429	168,457	136,674
Deferred inflows-pension/OPEB	12,262	27,287	176	709	12,438	27,996
Deferred inflows-other	41,884	40,612	-	-	41,884	40,612
Total liabilities/deferred inflows	157,699	139,144	65,080	66,138	222,779	205,282
Net position						
Net investment in capital assets	128,588	128,017	82,326	86,181	210,914	214,198
Restricted	119,458	104,512	527	1,446	119,985	105,958
Unrestricted	(8,578)	(1,216)	(13,329)	(14,207)	(21,907)	(15,423)
Total net position	\$ 239,468	\$ 231,313	\$ 69,524	\$ 73,420	\$ 308,992	\$ 304,733

Current and restricted assets, comprised predominantly of cash and investments and receivables, increased by nearly \$5.1 million from 2017. Unrestricted cash and investments rose nearly \$5.2 million as a result of limited capital expenditures and slightly lower debt service and operating expenditures. Receivables decreased \$1.1 million; predominately from federal/state revenues and reimbursements on highway and airport capital projects. Taxes receivable increased by almost \$1.2 million. Property tax receivables of \$39.8 million in 2018 are included in current assets but will not be collected until mid-2019 to finance the 2019/2020 expenditures. Revenue recognition for these receivables has been deferred (included in deferred inflows) and not included in the County's net position. In restricted assets, the business-type activities holds more than \$525,000 at the end of 2018 that can only be used for certain debt service payments.

Changes in pension and OPEB related accounts resulting from actuarial studies increased total assets/deferred outflows by \$21.1 million while increasing total liabilities/deferred inflows by \$19.6 million; net effect of \$1.5 million was adjusted through the changes in net position.

The most significant portion of St. Clair County's net position is its investment in capital assets (e.g., land, buildings, equipment, and infrastructure) less any related outstanding debt used to acquire these capital assets that is still outstanding. The County uses these capital assets to provide services to its citizens or, for Airport assets, provide services to its customers; consequently, these assets are not available for future spending. Although St. Clair County's investments in its capital assets are net of related debt, it should be noted that the resources needed to repay this debt must generally be provided from future resources since the capital assets themselves cannot be used to liquidate these liabilities.

The governmental activities for 2018 included the addition of nearly \$9.1 million in capital assets (before depreciation) including projects in progress: road infrastructure, \$4.7 million; equipment, \$1.5 million; and land and building improvements, \$2.9 million. Nearly \$10.9 million remains in progress for road projects and another \$2.7 million in other projects. Road infrastructure (including related land), net of accumulated depreciation continues to be the more significant part of the capital assets of the governmental funds at nearly \$99 million or 65% of the total governmental activities capital assets. Major infrastructure assets that were acquired (purchased, constructed, or donated) after June 30, 1980, or that received major renovations, restorations, or improvements after that date have been capitalized and reported in the government-wide financial statements. At December 31, 2018, the County maintained approximately 240 miles of roads. Of this, 148 miles are considered oil and chip roads and another 22 miles are asphalt

roads, both of which were acquired or constructed prior to 1980. In most cases these roads have had little improvements other than routine maintenance. Accordingly, these roads have not been capitalized. The County uses a threshold of \$100,000 per road mile for its capitalization policy.

The business-type activity capital assets are with MidAmerica St. Louis Airport operations. These assets, which account for 94% of Airport assets, have been financed with County, state, and federal contributions in addition to debt proceeds. The County continues to make improvements with the financial assistance of FAA and state grant funds when feasible as well as County contributions.

Non-current liabilities represents a major component of liabilities/deferred inflows (64%); \$107 million or 46% of all liabilities/deferred inflows is a direct result of financing capital assets and improvements and interest accretion on outstanding debt. Liabilities/deferred inflows related to pensions and post-employment benefits (OPEB) account for nearly \$66 million while other liabilities were more than \$19 million and tend to fluctuate with operations and the timing of payments for both operations and construction projects.

At the end of the year, the County reported positive net position for both the governmental and business-type activities. The assets of St. Clair County exceeded its liabilities at the close of the year by \$308,993,000 (net position). Almost 39% of net position is restricted for specific use; \$119,458,000 are restricted for specific purposes of governmental activities and \$527,000 for business-type activities. The investment in net capital assets less related debt was \$210,914,000 at the end of 2018.

Net position of St. Clair County increased by \$4.3 million from 2017. Governmental activities experienced a positive change of \$14.4 million before transfers to Airport activities.

St. Clair County's Changes in Net Position

(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues						
Charges for services	\$ 30,839	\$ 29,965	\$ 9,067	\$ 7,173	\$ 39,906	\$ 37,138
Operating grants & contributions	16,853	15,965	348	98	17,201	16,063
Capital grants & contributions	1,751	7,705	1,054	2,070	2,805	9,775
General revenues						
Property taxes	38,796	37,803	-	-	38,796	37,803
Other taxes	18,167	17,321	-	-	18,167	17,321
Investment earnings	2,118	1,135	19	18	2,137	1,153
Other	616	13	(35)	-	581	13
Total revenues	109,140	109,907	10,453	9,359	119,593	119,266
Expenses						
General government	21,872	21,441	-	-	21,872	21,441
Public safety	37,779	38,478	-	-	37,779	38,478
Judicial	12,127	12,578	-	-	12,127	12,578
Public health	10,181	10,309	-	-	10,181	10,309
Transportation	12,278	12,005	-	-	12,278	12,005
Unallocated Interest	468	502	4,337	4,423	4,805	4,925
Airport operations	-	-	16,292	15,007	16,292	15,007
Total expenses	94,705	95,313	20,629	19,430	115,334	114,743
Changes in net position before transfers	14,435	14,594	(10,176)	(10,071)	4,259	4,523
Transfers	(6,280)	(8,589)	6,280	8,589	-	-
Changes in net position	8,155	6,005	(3,896)	(1,482)	4,259	4,523
Net position-beginning	231,313	227,295	73,420	74,935	304,733	302,230
Prior period adjustment	-	(1,987)	-	(33)	-	(2,020)
Net position-ending	<u>\$ 239,468</u>	<u>\$ 231,313</u>	<u>\$ 69,524</u>	<u>\$ 73,420</u>	<u>\$ 308,992</u>	<u>\$ 304,733</u>

Governmental Activities

Total governmental revenues decreased \$767,000 from 2017. Charges for services rose \$873,000 due to dispatching service revenues that were offset by declines in other fees. Operating grants and contributions increased by \$888,000 with much of that from Motor Fuel Tax. Capital grants dropped by \$5.9 million and related to funding for road construction projects. There was an increase in property taxes of \$993,000. Tax rates and assessments rose slightly but exemptions and TIF adjustments continue to have a large impact on extended taxes. Property taxes account for more than 35% of governmental revenues. Sales and income taxes increased by \$906,000 while Personal Property Replacement Tax declined by \$78,000. Investment earnings rose by \$605,000 as rates improved from prior years.

Overall governmental expenses decreased by \$608,000. Payroll and related costs increased by more than \$1,200,000, before the actuarial adjustments for pension and other post-employment benefit estimates. Tort insurance costs were nearly \$400,000 more. A new mental health grant accounts for a slight increase in Public Health spending. The changes in Transportation costs tend to fluctuate with weather and scheduled projects and whether a project is an improvement to a County road or maintenance only.

Business-type Activities

Built as a joint-use military/civilian facility with Scott Air Force Base, the operating deficits of the Airport have included a significant amount of fixed costs required to keep the runway open as part of the compliance with FAA grant assurances and the joint-use agreement with Scott Air Force Base. These costs include, but are not limited to, fire safety and security, insurance, and runway maintenance. The Airport posted a \$3.9 million reduction in net position for 2018 of which \$6.1 was from depreciation. Airport revenues rose by nearly \$1.1 million while expenses increased \$1.2 million. Increases from fuel sales, fees, and terminal concessions represented \$1.9 million while federal and state grants and contributions toward improvements were \$766,000 less due to timing of projects.

Net fuel revenues decreased slightly from 2017. Fuel prices continued to be volatile and military sales were down. In 2017, the military runway was closed for 4 months whereby more military fuel was sold. However, this decrease was offset by \$273,000 increase in military joint use runway fees with the signing of a new joint-use agreement for 2018.

With a 21% increase in ridership, Passenger Facility Charges revenue, restricted for debt service, rose by more than \$77,000 from 2017. In addition, net of direct expenses, a newly installed paid-parking program generated a \$669,000 additional funds for the

The Airport received capital grants for airfield and terminal improvements from the FAA and other equipment from the government surplus program totaling more than \$1.4 million. The timing of eligible FAA participation projects impacts the recognition of capital grant revenues from year to year and generally requires a 5% to 10% County match. Most often annual awards can be carried forward from year to year. The increased passenger traffic also makes the Airport eligible for additional Airport Improvement Program grant funds from the FAA. In 2018, the Airport also received funding toward its Master Plan project as required by the FAA in the amount of \$348,000.

Overall expenses were up nearly \$1.2 million. Of that, resale fuel purchases were up nearly \$1 million while interest costs were reduced by nearly \$100,000. Other operating expenses increased by \$328,000. Included in that increase was the costs associated with the Master Plan project which accounted for \$255,000 of the increase. Depreciation rose only slightly. Depreciation accounts for more than 30% of total expenses.

Interest continues to be a major expense of the Airport. Interest expense was \$4.3 million in 2018. Interest of \$3,532,000 was charged for the current interest bonds and other debt. Amortization of premiums and deferred loss was \$805,000 in 2018.

The County continues to provide support to the Airport through operating transfers from other County funds. These transfers included cash of \$1,128,000 and costs paid on behalf of the Airport. These costs included personnel benefit costs of \$418,000, insurance of \$442,642, and debt service of \$3,685,000. In addition the County made capital grant matching payments of \$90,000. The Public Building Commission and the County contributed \$516,000 toward the paid parking upgrades and other operating costs. This was a decrease of \$2.3 million from 2017.

Financial Analysis of the County's Funds

St. Clair County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, the fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year, with consideration given to certain restrictions.

At the end of 2018, St. Clair County's governmental funds reported combined ending fund balances of approximately \$125 million, an increase of \$3 million from 2017, after a transfer of \$5.8 million to the Airport, inclusive of benefits, insurance, and debt service as discussed above under business-type activities. Approximately \$14 million constitutes an unassigned fund balance which is available for spending at the government's discretion. The remainder of the fund balance is non-spendable, restricted, committed, or assigned; not available for new spending because it has already been committed to pay debt service, insurance costs and claims, or other restrictive purposes as designated by statute or management.

The *General Fund* is the chief operating fund of St. Clair County. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$16 million, while the total fund balance was \$24 million. Certain prepaid expenses and inventory account for \$701,000 of non-spendable fund balances while \$111,000 is contractually restricted. The County has committed \$4.3 million to fund certain County capital projects in 2019, \$458,000 for GIS, automation and other expenses, and assigned \$1.2 million for working cash.

There was a \$7.3 million decrease in the fund balance for the General Fund. Revenues increased by \$2.3 million and expenditures rose by approximately \$2.8 million; net transfers to other funds were \$8.7 million higher than 2017 as \$10 million was transferred to the Debt Service Fund to meet certain reserve requirements set in bond documents and County resolutions. Property taxes were higher by \$174,000 and state income, personal property replacement, and sales taxes contributed \$327,000 more than 2017. Revenues from federal and state agencies increased \$316,000. Revenues for licenses and fees rose by \$745,000 in large part due to the consolidation of dispatching services mandated by the State of Illinois.

The change in dispatching services in turn had a significant impact on increased public safety costs that also included increases in sheriff patrol costs, collectively totaling to nearly \$1.3 million. General government expenses were up \$1.4 million with more than \$820,000 in increased medical premiums, \$523,000 in election expenses, and \$753,000 in tort costs that were offset by reductions in various other areas.

The *Transportation Fund* had a fund balance of \$40.5 million at the end of 2018. This was an increase of more than \$2.8 million from 2017. Revenues and expenditures fluctuate from year to year due to construction projects and participation by federal, state, and other local units. Revenues declined \$1,523,000; motor fuel tax increased \$232,000 while federal, state, and local contributions for projects fell by nearly \$2.4 million. Expenditures declined \$10.2 million. Transfers of \$1,978,000 were paid to the debt service fund during the year to fund principal and interest payments on the outstanding highway construction bonds.

The *Lease Payable* fund balance was higher by nearly \$173,000. Property taxes increased \$166,000. Taxes are levied to fund capital lease payment requirements, including operations, and maintenance, on certain County owned property. Expenditures and transfers increased \$212,000.

The *Debt Service Fund* jumped by nearly \$7.7 million for 2018 with a \$10 million transfer from the General Fund as previously discussed. Revenues, consisting of investment earnings, rose by \$57,000. Debt service payments were basically unchanged from 2017. Debt service payments are offset by the transfer-in from the Transportation Fund for the Highway Revenue bonds. The payments made on the behalf of the Airport were \$2.5 million and are included as transfers.

Proprietary funds. The County's proprietary funds consist of both enterprise and internal service funds. St. Clair County's enterprise fund activity is the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances have already been addressed in the discussion of the County's business-type activities.

The internal service activities are comprised of employee medical and unemployment insurance activities and occupancy costs. The net result from these activities was a net income of \$3,053,000 compared to income of \$3,654,000 in 2017. Medical insurance premiums charged increased nearly \$2 million. Insurance premiums and claims increased by \$196,000. Rents and other revenues decreased by \$222,000 as other operating costs for occupancy activities increased by more than \$2 million.

General Fund Budgetary Highlights

The County uses the cash basis of accounting for budgeting purposes. This differs from the basis of accounting used in the funds' statements whereby uncollected revenues and unpaid expenses are not recognized in budget to actual reporting.

Actual revenues were lower than anticipated revenues by \$365,000. Property taxes were more than budgeted by \$119,000. General licenses, fines and fees and revenues from other agencies were lower by \$980,000; State income, personal property replacement, and sales and other taxes were higher than anticipated by \$377,000 while federal and state revenues were lower by \$155,000.

As in prior years, the most significant variance in the General Fund is in general government expenditures. This difference of \$10 million relates predominantly in the Capital Replacement (\$4,785,000) and Tort (\$3,797,000) activities. The County budgeted the Capital Replacement Fund to fund possible Airport and County capital needs from fund balances. Self-insurance budgets project possible risk exposures. Other general fund variances were minimal.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities at the end of 2018 was \$278,870,000, net of accumulated depreciation. This investment included land, buildings and improvements, machinery and equipment, office equipment, roads, and bridges. It also includes the infrastructure of the Airport consisting of airfields, ramps, terminal, utility systems, roads and parking, service, and tenant facilities.

St. Clair County's Capital Assets

Net of Accumulated Depreciation

(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land & improvements	\$ 18,773	\$ 18,773	\$ 42,484	\$ 42,511	\$ 61,257	\$ 61,284
Buildings & support facilities	28,140	28,291	27,306	27,892	55,446	56,183
Construction in progress	2,181	1,121	94	2,111	2,275	3,232
Machinery & equipment	10,331	11,513	4,816	4,644	15,147	16,157
Projects in progress	512	49	164	-	676	49
Infrastructure-highway	80,682	76,711	-	-	80,682	76,711
Infrastructure-airport	-	-	52,516	54,323	52,516	54,323
Infrastructure in progress	10,871	14,419	-	-	10,871	14,419
Total	\$ 151,490	\$ 150,877	\$ 127,380	\$ 131,481	\$ 278,870	\$ 282,358

In 2018, the County completed certain County building improvements and other smaller jail projects in the amount of \$1,825,000. There was another \$2,181,000 of improvements still in progress at the end of the year. Equipment additions were \$1 million which included 911 equipment, public safety vehicles and security equipment, highway maintenance equipment and data processing equipment. Smaller projects totaling \$512,000 remained in progress at year end. The County posted \$8.4 million of depreciation expense in 2018 for its governmental operations.

The Highway Department is constantly expanding and improving the road system as there continues to be growth in the eastern part of County. Major road improvements continued in 2018; however many joint projects with local districts with federal and state participation were completed in 2018. County projects underway at the end of the year were \$10.9 million while the County completed \$8.2 million in County road projects during 2018. Land acquisitions over the course of several years allowed the County to begin or complete various projects that had previously been delayed.

The Airport continued to make investments in equipment and facilities during 2018. The Airport expended \$268,000 to complete the Airport Improvement Project (FAA/state participation) to upgrade the airfield lighting and airfield shoulders and roads. Due to increased passenger service, \$665,000 was spent on terminal upgrades with FAA participation while \$508,000 was spent on passenger terminal paid parking installation. Other building improvements and equipment totaling nearly \$574,000 were acquired during the year; \$286,000 of which was acquired through the Federal Government Surplus program. Depreciation expense for 2018 was \$6.1 million.

Additional information on St. Clair County's capital assets can be found in the Notes to the Financial Statements of this report.

Long-term debt. St. Clair County's long-term debt decreased by \$3,700,000 from 2017. At the end of the year, St. Clair County had outstanding long-term debt in the amount of \$107,339,000. Of the total, 58% of the debt was from the Airport activities.

St. Clair County's Long-term Obligations

(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenue bonds						
Highway	\$ 25,757	\$ 26,666	\$ -	\$ -	\$ 25,757	\$ 26,666
Land & buildings	10,968	10,995	10,081	10,727	21,049	21,722
General obligation bonds	-	-	49,477	50,356	49,477	50,356
Capital lease obligations						
Equipment	3,174	3,087	84	-	3,258	3,087
Debt certificates	3,680	3,975	2,944	3,098	6,624	7,073
Note payable	-	-	86	129	86	129
General obligation contracts	163	261	-	-	163	261
Insurance claims	1,389	1,745	-	-	1,389	1,745
Total	\$ 45,131	\$ 46,729	\$ 62,672	\$ 64,310	\$ 107,803	\$ 111,039

Governmental Activities

Long-term obligations for governmental activities decreased by nearly \$2 million in 2018. Highway funds were used to make principal payments of \$963,000 on Highway revenue bonds and equipment leases during the year and \$44,000 in amortization of bond premiums. The Lease Payable fund is servicing capital lease obligation debt to the Public Building Commission for County

office buildings, animal control facilities, and public safety facilities. Principal reductions were \$20,000. The reduction in the Emergency Telephone System debt certificates was \$295,000 while there was \$18,500 in interest accretion on equipment leases and reductions of \$395,000. These were offset by the addition of an equipment lease, \$464,000, used to finance dispatching equipment. The estimated long-term insurance claims decreased by \$356,000. Changes are discussed in more detail in the notes to the financial statements.

Business-type Activities

The Airport made principal payments of \$895,000 on its general obligation debt while net amortization of premiums/discounts was \$16,000. Certain capital lease obligations were reduced by \$645,000 (funded by the Lease Payable Fund). Principal payments of \$155,000 were also made to reduce the debt certificates that were issued in 2013. In 2018, the Airport financed an equipment purchase of \$108,00 while making principal payments on equipment debt of \$66,000. The net decrease in long-term obligations was \$1,637,000.

Additional information on St. Clair County's long-term debt can be found in the Notes to the Financial Statements of this report.

Economic Factors and Next Year's Budgets and Rates

- Assessed valuations have increased but exemptions passed on by the State and TIF district expansion are impacting the real estate tax revenues collectible by the County.
- Supporting the Scott Air Force Base activities and growth in the surrounding area continues to increase the need for changes in government facilities and infrastructure.
- Tort insurance rates and claims continue to fluctuate while medical costs continue to rise. Review of other cost control options are being explored.
- Federal and state mandates related to elections are expected to be much more costly.
- State of Illinois budget deficits are affecting state funding, distributed revenues, and financing opportunities.
- Additional State mandates being pushed to the local level are continuing.
- MidAmerica St Louis Airport continues to see significant growth in passenger activity.
- Possible expansion of Airport activities.

These factors were considered in preparing St. Clair County's budget for 2019.

With the continued uncertainty of the state actions, the County continues to look at alternatives for reduced state funding and the increases in unfunded state mandates. It is anticipated that the County will not be able to increase budgets again and that general fund balances will continue to help finance Airport operations in the near future.

Requests for Information

This financial report is designed to provide a general overview of St. Clair County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to St. Clair County Auditor's Office, 10 Public Square, Belleville, Illinois 62220.

BASIC FINANCIAL STATEMENTS

ST. CLAIR COUNTY, ILLINOIS
Statement of Net Position
December 31, 2018

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Grants Department	Flood Prevention
ASSETS					
Current assets					
Cash	\$ 2,013,789	\$ 283,626	\$ 2,297,415	\$ 2,778,624	\$ -
Equity in cash and investment pool	117,379,850	102,960	117,482,810	-	15,073,294
Investments	33,241,675	-	33,241,675	-	-
Funds held in trust	-	433,441	433,441	-	-
Accounts receivable	14,733,837	1,431,373	16,165,210	1,075,764	1,484,947
Taxes receivable (net)	39,766,093	-	39,766,093	-	-
Revolving/forgivable loans receivable	-	-	-	1,120,930	-
Interest receivable	368,193	195	368,388	-	28,049
Internal balances	4,124,886	(4,124,886)	-	-	-
Note receivable (payable) - current	42,898	(42,898)	-	-	-
Inventory	268,947	516,509	785,456	-	-
Other assets	-	-	-	95,331	-
Prepaid expenditures	1,050,877	-	1,050,877	-	-
Total current assets	<u>212,991,045</u>	<u>(1,399,680)</u>	<u>211,591,365</u>	<u>5,070,649</u>	<u>16,586,290</u>
Restricted assets					
Equity in cash and investment pool	-	277,131	277,131	-	-
Investments	310,593	248,371	558,964	-	-
Interest receivable	-	1,763	1,763	-	-
Total restricted assets	<u>310,593</u>	<u>527,265</u>	<u>837,858</u>	<u>-</u>	<u>-</u>
Noncurrent assets					
Revolving/forgivable loans receivable	-	-	-	2,326,018	-
Note receivable (payable)	43,330	(43,330)	-	-	-
Capital assets	151,489,902	127,379,914	278,869,816	2,186	-
Total noncurrent assets	<u>151,533,232</u>	<u>127,336,584</u>	<u>278,869,816</u>	<u>2,328,204</u>	<u>-</u>
Deferred outflows of resources					
Deferred outflows related to OPEB	281,519	4,370	285,889	11,355	-
Deferred outflows related to pensions	30,991,136	468,762	31,459,898	834,490	-
Deferred outflows on refinancing	1,060,171	7,667,567	8,727,738	-	-
Total outflows of resources	<u>32,332,826</u>	<u>8,140,699</u>	<u>40,473,525</u>	<u>845,845</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$397,167,696</u>	<u>\$134,604,868</u>	<u>\$531,772,564</u>	<u>\$ 8,244,698</u>	<u>\$ 16,586,290</u>

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Statement of Net Position
(continued)
December 31, 2018

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Grants Department	Flood Prevention
LIABILITIES					
Current liabilities					
Accounts payable	\$ 5,654,115	\$ 663,998	\$ 6,318,113	\$ 975,502	\$ 1,486,647
Accrued salaries	2,784,123	90,124	2,874,247	146,835	-
Accrued payroll related costs	3,817,387	120,051	3,937,438	115,700	-
Accrued interest	142,087	754,357	896,444	-	-
Funds held in escrow	81,241	16,034	97,275	57,579	-
Insurance claims	2,816,923	-	2,816,923	-	-
Unearned income	765,737	81,532	847,269	638,559	-
Debt certificates - current	305,000	165,000	470,000	-	-
General obligation bonds - current	-	935,000	935,000	-	-
General obligation contract - current	102,176	-	102,176	-	-
Revenue bonds - current	20,000	665,000	685,000	-	-
Obligations under capital lease-current	352,553	19,507	372,060	-	-
Revolving/forgivable loans liability	-	-	-	1,120,930	-
Total current liabilities	<u>16,841,342</u>	<u>3,510,603</u>	<u>20,351,945</u>	<u>3,055,105</u>	<u>1,486,647</u>
Noncurrent liabilities					
Debt certificates	3,375,000	2,778,616	6,153,616	-	-
General obligation bonds payable	-	48,541,841	48,541,841	-	-
General obligation contract	60,567	-	60,567	-	-
Revenue bonds	36,705,503	9,416,557	46,122,060	-	-
Obligations under capital lease-equipment	2,821,352	64,650	2,886,002	-	-
Revolving/forgivable loans liability	-	-	-	2,326,018	-
Net OPEB liability	664,961	11,963	676,924	27,627	-
Net pension liability	41,695,743	579,565	42,275,308	1,056,158	-
Insurance claims	1,389,000	-	1,389,000	-	-
Total noncurrent liabilities	<u>86,712,126</u>	<u>61,393,192</u>	<u>148,105,318</u>	<u>3,409,803</u>	<u>-</u>
Total liabilities	<u>103,553,468</u>	<u>64,903,795</u>	<u>168,457,263</u>	<u>6,464,908</u>	<u>1,486,647</u>
Deferred inflows of resources					
Deferred taxes and related fees	41,587,800	-	41,587,800	-	-
Deferred inflows on refinancing	295,908	-	295,908	-	-
Deferred inflows related to OPEB	600,037	9,315	609,352	24,237	-
Deferred inflows related to pensions	11,662,211	167,205	11,829,416	323,693	-
	<u>54,145,956</u>	<u>176,520</u>	<u>54,322,476</u>	<u>347,930</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>157,699,424</u>	<u>65,080,315</u>	<u>222,779,739</u>	<u>6,812,838</u>	<u>1,486,647</u>
NET POSITION					
Net investment in capital assets	128,587,961	82,326,156	210,914,117	2,186	-
Restricted	119,458,061	527,265	119,985,326	1,458,549	15,099,643
Unrestricted	(8,577,750)	(13,328,868)	(21,906,618)	(28,875)	-
Total net position	<u>\$239,468,272</u>	<u>\$ 69,524,553</u>	<u>\$308,992,825</u>	<u>\$ 1,431,860</u>	<u>\$ 15,099,643</u>

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Statement of Activities
For the year ended December 31, 2018

Function/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Charges for Goods and Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Units	
				Governmental Activities	Business-type Activities	Grants Department	Flood Prevention
Expenses					Total		
Primary Government							
	Governmental activities						
	General government						
	Public safety						
	Judicial						
	Public health						
	Transportation						
	Unallocated interest						
	Total governmental activities						
	Business-type activities						
Airport							
Total primary government							
Component units							
	Grants Department						
Flood prevention							

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Balance Sheet
Governmental Funds
December 31, 2018

	General	Transportation Fund	Lease Payable Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	\$ 1,540,451	\$ 5,758	\$ 13,034	\$ -	\$ 244,202	\$ 1,803,445
Equity in cash and investment pool	13,556,232	43,926,575	569,379	20,653,405	38,674,259	117,379,850
Accounts receivable	4,316,410	780,694	-	-	4,381,290	9,478,394
Taxes receivable	13,876,935	5,167,713	10,479,977	-	10,241,468	39,766,093
Interest receivable	43,202	79,531	5,674	24,916	67,923	221,246
Due from other funds	9,873,139	119,814	-	-	2,266,390	12,259,343
Inventory	138,255	125,973	-	-	4,719	268,947
Prepaid expenditures	562,408	-	175,109	-	508,245	1,245,762
Total assets	<u>\$ 43,907,032</u>	<u>\$ 50,206,058</u>	<u>\$ 11,243,173</u>	<u>\$ 20,678,321</u>	<u>\$ 56,388,496</u>	<u>\$ 182,423,080</u>
LIABILITIES						
Accounts payable	\$ 538,306	\$ 3,703,629	\$ -	\$ -	\$ 961,344	\$ 5,203,279
Accrued salaries	1,910,604	134,573	-	-	631,270	2,676,447
Accrued payroll related costs	-	-	-	-	603,315	603,315
Internal balances	1,379,007	250,270	-	-	3,681,563	5,310,840
Funds held in escrow	46,205	-	-	-	-	46,205
Other liabilities	1,811,297	-	-	-	-	1,811,297
Unearned income	-	433,121	-	-	147,830	580,951
Total liabilities	<u>5,685,419</u>	<u>4,521,593</u>	<u>-</u>	<u>-</u>	<u>6,025,322</u>	<u>16,232,334</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred taxes and related fees	<u>14,719,682</u>	<u>5,167,713</u>	<u>10,479,977</u>	<u>-</u>	<u>11,220,428</u>	<u>41,587,800</u>
Total liabilities and deferred inflows of resources	<u>20,405,101</u>	<u>9,689,306</u>	<u>10,479,977</u>	<u>-</u>	<u>17,245,750</u>	<u>57,820,134</u>
FUND BALANCES						
Nonspendable	700,663	125,973	175,109	-	512,964	1,514,709
Restricted	111,145	40,390,779	588,087	4,472,029	40,398,548	85,960,588
Committed	5,139,321	-	-	3,785,101	-	8,924,422
Assigned	1,660,495	-	-	12,421,191	-	14,081,686
Unassigned	<u>15,890,307</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,768,766)</u>	<u>14,121,541</u>
Total fund balances	<u>23,501,931</u>	<u>40,516,752</u>	<u>763,196</u>	<u>20,678,321</u>	<u>39,142,746</u>	<u>124,602,946</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 43,907,032</u>	<u>\$ 50,206,058</u>	<u>\$ 11,243,173</u>	<u>\$ 20,678,321</u>	<u>\$ 56,388,496</u>	<u>\$ 182,423,080</u>

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Reconciliation of Balance Sheet of Governmental Funds to
the Statement of Net Position
December 31, 2018

Total fund balances for governmental funds	\$ 124,602,946
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Total net position reported for governmental activities in the statement of net position is different because:

Receivables and funds held in trust applicable to the County's governmental activities that do not provide current financial resources are not reported as receivables in the funds.	4,934,575
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	150,928,910
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Internal service funds are used by the County to account for the financing and maintenance of facilities, employee medical benefits and unemployment benefits provided to the other County departments or agencies, generally on a cost reimbursement basis. The assets and liabilities of the internal service funds that are included in governmental activities in the statement of net position is:	29,098,152
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Long-term liabilities, net of deferred outflows, applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position.	(47,228,685)
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Pension and OPEB obligations, net of deferred outflows and inflows of resources related to pensions and OPEB, that are not due and payable in the current period and, therefore, are not reported in the governmental funds.	<u>(22,867,626)</u>
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Total net position of governmental activities	<u>\$ 239,468,272</u>
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ST. CLAIR COUNTY, ILLINOIS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2018

	General	Transportation Fund	Lease Payable Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 12,157,547	\$ 4,894,899	\$ 12,136,326	\$ -	\$ 9,607,132	\$ 38,795,904
State income tax	5,273,869	-	-	-	-	5,273,869
Personal property replacement tax	2,393,218	-	-	-	-	2,393,218
Sales tax	10,249,156	-	-	-	-	10,249,156
Motor fuel tax	-	4,900,790	-	-	-	4,900,790
Other taxes	228,505	-	-	-	-	228,505
Revenue from federal/state agencies	899,912	973,620	-	-	9,130,966	11,004,498
Revenue from local agencies	35,516	2,792,191	17,324	-	3,667,543	6,512,574
Licenses, permits, fines, fees and services	15,578,994	123,006	-	-	9,755,248	25,457,248
Earnings on investments	374,212	604,031	37,239	189,208	561,839	1,766,529
Miscellaneous revenues	621,546	450	-	-	5,134	627,130
	<u>47,812,475</u>	<u>14,288,987</u>	<u>12,190,889</u>	<u>189,208</u>	<u>32,727,862</u>	<u>107,209,421</u>
EXPENDITURES						
Current						
General government	20,029,445	-	7,309,186	-	10,996,573	38,335,204
Public safety	17,839,163	-	-	-	8,843,764	26,682,927
Judicial	4,823,484	-	-	-	2,991,763	7,815,247
Public health	28,672	-	-	-	8,609,088	8,637,760
Transportation	-	4,548,290	-	-	-	4,548,290
Capital outlay						
General government	212,126	-	2,134,864	-	8,311	2,355,301
Public safety	-	-	834,957	-	816,192	1,651,149
Judicial	-	-	14,307	-	180,419	194,726
Public health	-	-	-	-	42,653	42,653
Transportation	-	4,819,085	-	-	-	4,819,085
Debt service						
General government	-	-	571,412	-	-	571,412
Public safety	-	-	-	-	949,715	949,715
Transportation	-	108,600	-	1,978,406	-	2,087,006
	<u>42,932,890</u>	<u>9,475,975</u>	<u>10,864,726</u>	<u>1,978,406</u>	<u>33,438,478</u>	<u>98,690,475</u>
Excess (deficiency) of revenues over (under)expenditures	<u>4,879,585</u>	<u>4,813,012</u>	<u>1,326,163</u>	<u>(1,789,198)</u>	<u>(710,616)</u>	<u>8,518,946</u>
Other financing sources (uses):						
Capital Lease	-	-	-	-	463,560	463,560
Operating transfers-in	120,820	-	-	11,978,407	426,124	12,525,351
Operating transfers-out	(12,297,060)	(1,978,407)	(1,152,708)	(2,532,382)	(338,139)	(18,298,696)
Total other financing sources (uses)	<u>(12,176,240)</u>	<u>(1,978,407)</u>	<u>(1,152,708)</u>	<u>9,446,025</u>	<u>551,545</u>	<u>(5,309,785)</u>
Net changes in fund balances	(7,296,655)	2,834,605	173,455	7,656,827	(159,071)	3,209,161
Beginning fund balances	<u>30,798,586</u>	<u>37,682,147</u>	<u>589,741</u>	<u>13,021,494</u>	<u>39,301,817</u>	<u>121,393,785</u>
Ending fund balances	<u>\$ 23,501,931</u>	<u>\$ 40,516,752</u>	<u>\$ 763,196</u>	<u>\$ 20,678,321</u>	<u>\$ 39,142,746</u>	<u>\$ 124,602,946</u>

ST. CLAIR COUNTY, ILLINOIS
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the year ended December 31, 2018

Net change in fund balances - total governmental funds \$ 3,209,161

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

Governmental funds report capital outlays as expenditures and proceeds from disposals as miscellaneous revenue. However, in the statement of activities the cost of those assets, which meet capitalization requirements, is allocated over their estimated useful lives and reported as depreciation expense and gains and losses are reported on disposals. 163,814

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (959,715)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 1,452,824

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 425,854

Internal service funds are used by management to charge the costs of certain financing and maintenance of facilities and certain insurance activities to individual funds. The net income (loss) of certain internal service funds is reported with governmental activities (net of amounts allocated to business-type activities): 2,562,058

The changes in net pension and OPEB obligations and deferred outflows and inflows related to pensions and OPEB, that do not require the use of current financial resources and, therefore, are not reported as expenditure in the funds. 1,301,092

Changes in net position of governmental activities \$ 8,155,088

ST. CLAIR COUNTY, ILLINOIS
Statement of Net Position
Proprietary Funds
December 31, 2018

	<u>Enterprise Fund</u> MidAmerica St. Louis Airport	<u>Internal</u> Service Funds
ASSETS		
Current assets		
Cash	\$ 283,626	\$ 210,343
Equity in cash and investment pool	102,960	-
Investments	-	33,241,675
Funds held in trust	433,441	-
Accounts receivable	1,431,373	487,059
Interest receivable	195	146,948
Due from other funds	-	605,422
Inventory	516,509	-
Note receivable (payable) - current portion	(42,898)	42,898
Net investment in direct financing leases	-	705,610
Prepaid expenses	-	1,006
Total current assets	<u>2,725,206</u>	<u>35,440,961</u>
Restricted assets		
Equity in investment pool	277,131	-
Investments	-	558,964
Accounts receivable	-	-
Interest receivable	1,763	-
Deposits	-	-
Total restricted assets	<u>278,894</u>	<u>558,964</u>
Noncurrent assets		
Note receivable (payable)	(43,330)	43,330
Net investment in direct financing leases	-	20,620,085
Capital assets	<u>127,379,914</u>	<u>560,992</u>
	<u>127,336,584</u>	<u>21,224,407</u>
Deferred outflows of resources		
Deferred outflows related to pension	468,762	774,255
Deferred outflows related to OPEB	4,370	13,705
Deferred charges on refinancing	<u>7,667,567</u>	<u>-</u>
	<u>8,140,699</u>	<u>787,960</u>
Total assets and deferred outflows of resources	<u>\$ 138,481,383</u>	<u>\$ 58,012,292</u>

ST. CLAIR COUNTY, ILLINOIS
Statement of Net Position
Proprietary Funds
(continued)
December 31, 2018

	Enterprise Fund MidAmerica St. Louis Airport	Internal Service Funds
LIABILITIES		
Current liabilities		
Accounts payable	\$ 663,998	\$ 617,027
Accrued salaries	90,124	97,817
Accrued payroll related costs	120,051	194,600
Accrued interest	712,962	87,322
Due to other funds	4,085,305	3,468,620
Other liabilities	-	1,005,626
Unearned income	81,532	380,677
Funds held in escrow	16,034	-
Revenue bonds - current	-	685,000
General obligation bonds - current	935,000	-
Debt certificates - current	165,000	-
Obligations under capital lease - current	701,781	-
Total current liabilities	<u>7,571,787</u>	<u>6,536,689</u>
Noncurrent liabilities		
Internal balances	13,323,079	(13,323,079)
Funds held in escrow	-	35,036
Debt certificates	2,778,616	-
Revenue bonds	-	20,364,768
General obligation bonds	48,541,841	-
Obligations under capital lease	9,707,646	-
Net OPEB liability	11,963	30,392
Net pension liability (asset)	579,565	952,038
Total noncurrent liabilities	<u>74,942,710</u>	<u>8,059,155</u>
Total liabilities	<u>82,514,497</u>	<u>14,595,844</u>
Deferred inflows of resources		
Unamortized gain on refinancing	-	295,908
Deferred inflows related to pension	167,205	258,993
Deferred inflows related to OPEB	9,315	29,208
Total deferred inflows of resources	<u>176,520</u>	<u>584,109</u>
Total liabilities and deferred inflows of resources	<u>82,691,017</u>	<u>15,179,953</u>
NET POSITION		
Net investment in capital assets	82,326,156	560,992
Restricted	527,265	509,390
Unrestricted	(27,063,055)	41,761,957
Total net position	55,790,366	<u>\$ 42,832,339</u>
Some amounts reported for business-type activities in the statement of position are different because certain internal service fund assets and liabilities are included with business-type activities	<u>13,734,187</u>	
Net position - business-type activities	<u>\$ 69,524,553</u>	

ST. CLAIR COUNTY, ILLINOIS
Statement of Revenues, Expenses,
and Changes in Net Position
Proprietary Funds
For the year ended December 31, 2018

	Enterprise Fund MidAmerica St. Louis Airport	Internal Service Funds
CHARGES FOR GOODS AND SERVICES		
Landing fees and terminal area use charges	\$ 541,262	\$ -
Rents, concessions and other services	1,604,565	12,388,103
Intergovernmental revenues	-	15,972
Other	2,075	2,875
Fuel sales (less costs of \$5,536,316)	202,558	-
Insurance premiums	-	13,102,150
Total operating revenues	<u>2,350,460</u>	<u>25,509,100</u>
OPERATING EXPENSES		
Operating expenses	4,484,823	8,938,140
Insurance claims and premiums	-	12,501,699
Post-employment benefit contribution	-	334,951
Interest expense	-	1,017,833
Depreciation and amortization	6,099,669	14,674
Total operating expenses	<u>10,584,492</u>	<u>22,807,297</u>
Operating income (loss)	<u>(8,234,032)</u>	<u>2,701,803</u>
NONOPERATING REVENUES (EXPENSES)		
Investment earnings	18,948	351,372
Interest expense	(4,316,958)	-
Passenger facility charges	443,475	-
Operating grants	348,451	-
Gain(Loss) on disposal of assets	(35,038)	-
Real estate leases (net of expenses)	560,909	-
Total nonoperating expenses	<u>(2,980,213)</u>	<u>351,372</u>
Net income (loss)	<u>(11,214,245)</u>	<u>3,053,175</u>
Transfers-in	5,773,345	-
Capital contributions	1,054,215	-
Change in net assets	<u>(4,386,685)</u>	<u>3,053,175</u>
Net position - beginning of year	<u>60,177,051</u>	<u>39,779,164</u>
Net position - end of year	<u>55,790,366</u>	<u>\$ 42,832,339</u>
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise fund	<u>13,734,187</u>	
Net position - business-type activities	<u>\$ 69,524,553</u>	

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Statement of Cash Flows
Proprietary Funds
For the year ended December 31, 2018

	Enterprise Fund MidAmerica St. Louis Airport	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments from customers and tenants	\$ 7,508,109	\$ 2,395,903
Payments from interfund services provided	-	23,751,069
Payments to vendors	(7,710,026)	(19,304,167)
Payments to employees	(1,102,490)	(1,724,440)
Net cash provided (used) by operating activities	(1,304,407)	5,118,365
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Interest paid	-	(1,070,386)
Principal payments on bonds	-	(665,000)
Payments on behalf of business-type activities	-	(506,161)
Transfers from general fund	1,128,000	-
Net cash provided (used) by non-capital financing activities	1,128,000	(2,241,547)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal payments on debt	(221,241)	-
Interest paid	(132,718)	-
Proceeds (advances) for loans	(955,053)	42,472
Capital grant contributions	988,165	-
Capital expenditures	(71,905)	-
Net cash provided (used) by capital and related financing activities	(392,752)	42,472
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment interest	801	234,062
Redemption of investments	522,581	-
Purchase of Investments	(522,581)	(10,155,164)
Non-aeronautical real estate revenues	556,234	-
Net cash provided (used) by investing activities	557,035	(9,921,102)
Net increase (decrease) in cash and cash equivalents	(12,124)	(7,001,812)
Cash and cash equivalents - beginning of year	295,750	19,745,309
Cash and cash equivalents - end of year	<u>\$ 283,626</u>	<u>\$ 12,743,497</u>
Cash and cash equivalents		
Cash	\$ 283,626	\$ 210,343
Cash equivalents included in investments	-	11,974,191
Restricted investments	-	558,963
	<u>\$ 283,626</u>	<u>\$ 12,743,497</u>

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Statement of Cash Flows
Proprietary Funds
(continued)
For the year ended December 31, 2018

	Enterprise Fund MidAmerica St. Louis Airport	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (8,234,032)	\$ 2,701,803
Adjustments to reconcile		
Depreciation and amortization	6,099,669	14,674
Operating costs paid by capital contributions	892,640	-
Interest expense related to direct financing leases	-	1,017,833
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	(429,800)	131,309
Decrease (increase) in inventory	40,590	-
Decrease (increase) in deposits	(508)	-
Decrease (increase) in net investment in direct financing lease	-	678,667
Decrease (increase) in net investment in prepaid expenses	-	251
Decrease (increase) in due from other funds	-	(600,521)
Decrease (increase) in deferred outflows of resources	(409,015)	(635,109)
Increase (decrease) in accounts payable	(3,643)	317,728
Increase (decrease) in accrued wages and related costs	(3,033)	(333)
Increase (decrease) in due to other funds	337,257	1,656,749
Increase (decrease) in other liabilities	-	(748,087)
Increase (decrease) in funds held in escrow	(6,697)	-
Increase (decrease) in unearned income	55,810	42,781
Increase (decrease) in net OBEB liability	(13,257)	(41,574)
Increase (decrease) in net pension liability	902,078	1,391,215
Increase (decrease) in deferred inflows of resources	(532,466)	(809,021)
Net cash provided (used) by operating activities	<u>\$ (1,304,407)</u>	<u>\$ 5,118,365</u>

SCHEDULE OF NON-CASH FINANCING AND INVESTING ACTIVITIES

Interest accreted on bonds and leases (net of amortization)	\$ 805,343	\$ -
Interest paid on bonds from investments	1,254,744	-
Capital contributions		
Capital assets	455,126	-
Capital payments made by the St Clair County		
Capital assets	651,719	-
Capital lease principal and interest	1,152,708	-
Bond principal and interest	2,532,381	-
Capital payments made by the Public Building Commission		
Capital assets	474,227	-
Increase (decrease) in market value of investments	4,994	(218)

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Statement of Net Position
Fiduciary Funds
December 31, 2018

	Agency Funds	Post- Employment Health Insurance Trust
ASSETS		
Cash	\$ 5,431,859	\$ -
Equity in cash and investment pool	448,693	960
Investments	1,287,959	3,517,632
Accounts receivable	5,440	-
Interest receivable	1,708	11,098
Total assets	<u>7,175,659</u>	<u>3,529,690</u>
LIABILITIES		
Accounts payable	30,488	-
Due to taxing districts	794,981	-
Held pending protested tax settlement	163,477	-
Funds held in escrow	6,186,713	-
Total liabilities	<u>7,175,659</u>	<u>-</u>
NET POSITION		
Restricted for Other Post-Employment Benefits (OPEB)	<u>\$ -</u>	<u>\$ 3,529,690</u>

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Statement of Changes in Net Position
Fiduciary Funds
For the year ended December 31, 2018

	Post- Employment Health Insurance Trust
ADDITIONS	
Contributions	
Employer	\$ 334,951
Total contributions	<u>334,951</u>
Investment income	
Interest, dividends and other investment earnings	268,688
Net appreciation (depreciation) in fair value of assets	<u>(430,525)</u>
Total investment earnings	(161,837)
Less investment expense	<u>29,136</u>
Net investment earnings	<u>(190,973)</u>
Total additions	<u>143,978</u>
DEDUCTIONS	
Benefits	<u>-</u>
Total deductions	<u>-</u>
Change in net position	<u>143,978</u>
Net position - restricted for Other Post-Employment Benefits (OPEB), beginning of the year	<u>3,385,712</u>
Net position - restricted for Other Post-Employment Benefits (OPEB), end of the year	<u>\$ 3,529,690</u>

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financial Statements
December 31, 2018

1. Summary of significant accounting policies

Reporting Entity

The accompanying financial statements present the activities of St. Clair County (the County) and its component units, legally separate organizations for which the County is financially accountable: the Public Building Commission of St. Clair County, St. Clair County Intergovernmental Grants Department and the St. Clair County Flood Prevention District. The Public Building Commission is so intertwined with the County that it is, in substance, the same as the County and, therefore, is blended and reported as if it were a part of the County. The Commissioners of the Public Building Commission are appointed by the County Board, however, the corporation exists solely to manage and to finance the acquisition, construction, enlarging, improving or replacing public buildings and facilities of the County and maintenance of said facilities. The Commission leases facilities to the County under operating/capital lease agreements.

St. Clair County Intergovernmental Grants Department (IGD) is a regional planning commission that administers economic development and rehabilitation, weatherization, job training, and other social service programs in St. Clair County and certain contiguous counties for the economically disadvantaged under various federal and state grants. Its activities also include the St. Clair County Intergovernmental Grants Community Action Commission (CAA), a 501(c)(3) formed to obtain additional grant funds. The County, through its Intergovernmental Grants Department, has entered into various agreements with federal and state agencies to administer certain programs. Funding for the programs is predominantly from the U.S. Department of Housing and Urban Development (HUD), the Illinois Department of Commerce and Economic Opportunity (DCEO) and the Illinois Department of Healthcare and Family Services.

The St. Clair County Flood Prevention District (Flood District) was established pursuant to an Illinois statute created for the purpose of performing emergency levee repair and flood prevention in order to prevent the loss of life or property. The County adopted a resolution to impose a sales tax to fund the operations and any debt service requirements of the District for this purpose. The District is part of the Southwestern Illinois Flood Prevention District Council which is a consortium of three contiguous counties and certain levee districts that is responsible for the construction of flood prevention systems along the Mississippi River.

Management, in determining what potential component entities should be included for financial reporting purposes, considered accountability for fiscal matters other manifestations of oversight responsibility, scope of public service, and special financing relationships. Fiscal accountability, the most significant of all the criteria, refers to conditions of financial interdependency between two entities including budgetary adoption, taxing authority, responsibility for debt, and control over or responsibility for financial management. Other manifestations of oversight responsibility encompass the ability to select governing authority, designate management or significantly influence operations. The scope of public service evaluates the benefits derived in terms of the citizenry served or the geographic boundaries included.

Based upon these criteria, IGD and the Flood District are considered component units and are discretely presented as part of the government-wide financial statements of St. Clair County. Together they are reported as separate columns or rows in the government-wide financial statements to emphasize that they are legally separate from the County although the County appoints its directors/board. The County issues separate audited financial statements on IGD because it services multiple counties with St. Clair County as the lead agency. The Flood District also issues separate financial statements in compliance with state statutes. These financial statements may be obtained at the County Board Office.

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the County. Government activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which would generally rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain expenses recorded as general government expenses in the funds' statements have been reclassified and allocated in the government-wide statement of activities by function. These include, among others, certain employee benefit costs, lease costs, and insurance. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements but not necessarily on the fund financial statements.

ST. CLAIR COUNTY, ILLINOIS

Notes to the Financial Statements

Amounts recorded as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) operating and capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, fiduciary funds, and discretely presented component units. Fiduciary funds are excluded from the government-wide financial statements. The notes to the financial statements only pertain to the primary government. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as non-major funds. Taxes and other items not included among program revenues are reported instead as general revenues.

The County has established a number of funds for the purpose of accounting for its financial transactions. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or obtaining certain objectives in accordance with special regulations, restrictions, or limitations.

The various funds used by the County are categorized as follows for presentation in the financial statements:

Governmental Funds

General Fund is the government's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds account for the proceeds of specific revenue sources which are restricted or committed to finance specific functions or activities of the County other than debt service or capital projects.

Debt Service Fund accounts for the accumulation of resources that are restricted, committed or assigned to the payment of general long-term debt principal and interest not accounted for in another fund.

Proprietary Funds

Internal Service Funds account for the financing of the buildings and maintenance, medical self-insurance and the unemployment insurance programs provided by a department on a cost-reimbursement basis. Other services provided on a similar basis are recorded in the general fund.

Enterprise Fund accounts for the operation of the MidAmerica St. Louis Airport. These operations are financed and operated in a manner similar to private business enterprises.

Fiduciary Funds

Agency Funds account for assets held by the County in a trustee capacity or as an agent for individual private organizations, other governmental units or other funds.

Other Post-employment Benefits Trust accounts for the activities of the Post-Employment Health Trust Fund which accumulates the resources for post-employment health benefits for qualified retirees.

The County reports the following major governmental funds:

General fund (as described above)

Transportation fund. This fund accounts for the various revenues and expenditures related to the highway transportation system including, but not limited to, repairs, maintenance, and construction.

Lease payable fund. This fund accounts for the property tax revenues required to make capital lease payments, including operations/maintenance, on certain County land and buildings used in the operations of County business.

Debt service fund. This fund accounts for the resources accumulated and payments made for principal and interest on long-term debt obligation of governmental funds and funds reserved for enterprise fund long-term obligations.

ST. CLAIR COUNTY, ILLINOIS

Notes to the Financials Statements

The County reports the following major proprietary funds:

MidAmerica St. Louis Airport fund (as described above)

Measurement focus, basis of accounting, and financial statement presentation

The general accounting records for the various funds of St. Clair County are maintained substantially on a cash basis. Revenues are recorded when cash is received and expenditures are recorded when cash payments are made, which is consistent with the County's basis for budgeting. However, the accounting principles used to present the financial statements are in conformity with generally accepted accounting principles for governmental entities.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied and available to liquidate liabilities. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues from categorical and other grants are considered available when eligibility criteria have been met and if received within one year. Property taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual, however, property taxes collected after 60 days have been reported as deferred revenue. Fine and fee revenue items are considered to be measurable and available only when the government receives cash.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments and compensated absences, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, investment earnings, and farm land leases, result from non-exchange transactions or ancillary activities.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles as they relate to governmental entities requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budgetary information

The County prepares an annual operating budget for revenues and expenditures on the cash basis. The County Board approves the budget. Appropriations are made on a detail line-item basis and lapse at year-end. Any adjustments to the budget or transfers between funds require County Board approval. The general fund, special revenue funds, the enterprise fund, and debt service funds are budgeted. Agency funds and the internal service funds are included in the budgetary process for purposes of estimation rather than budgetary controls.

Budgets are for the calendar year and include various Highway funds that are budgeted by project, although they lapse at year-end and require re-appropriation in the ensuing years. Budgets for the enterprise fund, certain internal service funds, economic development and grant programs are flexible and are generally dependent on the projects and funding sources.

Encumbrances are defined as commitments related to unperformed contracts for goods and services that may be charged against an appropriation in the period of the commitment. The appropriated funds utilize encumbrance accounting. However, appropriations and encumbrances lapse at year-end and, therefore, there is no reserve for encumbered balances.

ST. CLAIR COUNTY, ILLINOIS

Notes to the Financials Statements

Deposits and investments

The County maintains and controls a cash and investment pool in which the primary government's funds share for the purpose of increasing earnings through investment activities. Each fund's portion of the pool is displayed on its balance sheet as "Equity in cash and investment pool." Earnings on the pooled funds are apportioned and paid or credited to the funds monthly based on the average daily balance of each participating fund. In addition, non-pooled cash and investments are separately held and reflected in their respective funds as "Cash" and "Investments." Both pooled and non-pooled investments are reported at fair value based on market prices. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the state pool is the same as the fair value of the pool shares.

Statutes authorize the County to invest in obligations of the U.S. Treasury, agencies and instrumentalities, certain commercial paper, repurchase agreements, interest-bearing deposit accounts, certain money market mutual funds, and the State Treasurer's Investment Pool. Investments of the Post-Employment Health Insurance Trust are also invested in certain equity securities as allowed by statutes covering retirement funds.

The County considers cash and cash equivalents in internal service funds to be cash on hand and demand deposits. The investment pool and certain investments are sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty; accordingly, equity in the pool is also deemed to be a cash equivalent for internal service funds.

Receivable and payables

All trade and property tax receivables are shown net of an allowance for uncollectibles. Management has provided an allowance based on amounts recorded at year-end for the enterprise fund that may be uncollectible using the specific write-off method.

Property taxes attach an enforceable lien on property as of January 1 and are levied one year in arrears. Accordingly, property tax revenues are accrued. However, property taxes are recognized as revenue when collected based on the intent of the County to use the revenue to finance operations of the following year. The 2017 property taxes were payable on June 21, 2018 and August 21, 2018 and recognized as revenue in 2018.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "Internal balances" as well as other outstanding balances between funds. Long-term borrowings between funds not expected to be repaid in the foreseeable future have been eliminated and recorded as transfers. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "Internal balances."

Inventories and prepaid items

Office supply room inventories and highway supply inventories at year-end have been recorded at cost using the first-in, first-out method in the government-wide financial statements. The enterprise fund records inventories of supplies and certain fuels held for resale and recognizes them as expenses when consumed or sold. These inventories are recorded at cost using the average cost method.

Prepaid expenditures generally represent insurance costs and rents that have been prepaid for the next year and will be recognized as expenses in the subsequent year. Prepaid expenditures are offset by the non-spendable fund balances that indicate that they do not constitute "available, spendable resources" in the governmental fund financial statements.

Capital assets

Capital assets, property, equipment, infrastructure assets (i.e., roads, bridges, sidewalks, and similar items acquired after June 30, 1980), are recorded in the applicable governmental or business-type activity columns in the government-wide financial statements. Expenditures for the acquisition, construction or equipping of capital projects, together with related design, architectural and engineering fees, are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The costs of capital assets are recorded as expenditures in the acquiring fund at the time of purchase and any proceeds from sales are recorded as receipts at the time of disposal in the governmental funds' statements for governmental activities.

All fixed assets are valued at historical cost or estimated historical cost, if actual historical cost is not available. Donated assets are recorded at estimated fair value in the year received. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The County capitalizes highway infrastructure additions or improvements of \$100,000 per road mile.

ST. CLAIR COUNTY, ILLINOIS

Notes to the Financials Statements

The provision for depreciation on facilities is provided on a straight-line basis. Estimated useful lives are as follows:

Water drainage and sewer system	30-50 years
Runways, aprons, taxiways and paved road	30 years
Highway infrastructure	20-40 years
Buildings and improvements	20-40 years
Electrical systems	25 years
Equipment	5-20 years
Office equipment	3-10 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has two items that qualify for reporting in this category: deferred charge on refinancing and deferred pension expenses.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has three items that qualify for reporting in this category: deferred taxes and related fees and inflows related to pensions.

Deferred outflows/inflows on refinancing: A deferred charge on refinancing results from the difference in the carrying value of refinanced debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred outflows/inflows related to pensions/OPEB: Differences between expected and actual experience in economic and demographic factors, changes in those assumptions, and differences in projected and actual investment earnings on pension plan and other post-employment benefit (OPEB) plan assets not recognized in pension/OPEB expense are aggregated and reported as net deferred outflows/inflows of resources.

Deferred taxes and related fees: As previously stated property taxes attach an enforceable lien on property as of January 1 and are levied one year in arrears. Accordingly, property tax revenues and related fees are accrued but revenue is recorded as a deferred inflow.

Bond issuance costs and capitalized interest

Bond issuance costs are expensed as a period cost in the year of bond acquisition. Interest expense, offset by interest earned on construction bond proceeds during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed and is being amortized over the depreciable life of the related assets on a straight-line basis.

Compensated absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits, however these amounts may be limited. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government unless dictated by union agreements. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or as part of annual settlements under union contracts.

Pensions

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County's pension plan through the Illinois Municipal Retirement Plan (IMRF) and additions to/deductions from the IMRF's fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable premiums or discounts and amortized over the term of the debt.

Net position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations on its use either through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

2. Cash deposits and investments

The County maintains a cash and investment pool that is available for use by all funds. Some agency fund accounts are controlled by other officeholders as custodians and are not included in the pool.

All cash and investments, including pooled and fiduciary accounts are as follows:

	Government- wide	Fiduciary Funds	Total
Cash	\$ 2,297,415	\$ 5,431,859	\$ 7,729,274
Investments	33,800,639	4,805,591	38,606,230
Pooled cash and investments	117,759,941	449,653	118,209,594
	<u>\$153,857,995</u>	<u>\$ 10,687,103</u>	<u>\$164,545,098</u>

Of the total cash and investments, cash deposits are \$30,761,211; investments account for \$133,666,075 of the total while remaining balances are undeposited cash holdings.

Both pooled and non-pooled investments are reported at fair value. The County categorizes its fair value measurements within the fair value hierarchy established by the generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All County investments are considered Level 1. Investments, pooled and non-pooled, held by the County are summarized as follows:

	Fair Value	Maturity
Certificates of deposit - non-negotiable	\$ 11,567,461	0 - 6 months
Certificates of deposit - non-negotiable	17,550,254	7 - 12 months
Certificates of deposit - non-negotiable	1,042,883	1 - 3 years
CDARS	8,506,608	0 - 6 months
CDARS	6,629,058	7 - 12 months
Insured Cash Sweep (ICS)	7,870,262	current
Money markets	12,938,896	current
Investments held by brokers/dealers:		
Certificates of deposit – negotiable	9,190,824	0 - 6 months
Certificates of deposit – negotiable	6,349,991	7 - 12 months
Certificates of deposit – negotiable	977,344	1 - 3 years
Money Market-government funds	18,224,957	current
US Treasury Notes	9,977,400	0 - 6 months
US Treasury Notes	29,738,600	7 - 12 months
Investments in Illinois Funds Investment Pool	4,657,199	current
	<u>145,221,737</u>	
Component Unit-Flood Prevention District	15,073,294	
Primary Government	<u>\$130,148,443</u>	

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

Restricted investments - OPEB

Investments held by brokers/dealers:

U.S. Treasury money market	\$ 76,121	current
U.S. Treasury notes	190,091	1 - 3 years
U.S. Government obligations	149,738	0 - 6 months
U.S. Government obligations	173,470	7 - 12 months
U.S. Government obligations	54,620	3+ years
Certificates of Deposit	98,306	1 - 3 years
Certificates of Deposit	217,489	3+ years
Corporate Notes	247,961	1 - 3 years
Corporate Notes	580,491	3+ years
Equity securities-international	11,626	current
Mutual funds-international	489,786	current
Equity securities	753,221	current
Mutual funds	474,712	current
	<u>\$ 3,517,632</u>	

Interest rate risk: The County manages its exposure to declines in fair values by limiting the amount of its portfolio in long-term maturities based on market conditions and cash flow needs. There is no formal policy that requires a specific stratification of investment maturities within the portfolio.

Credit risk: Statutes impose various restrictions on deposits and investments. The County generally invests in certificates of deposit, U.S. Government obligations, repurchase agreements, money market accounts, the Illinois Funds Investment Pool and certain commercial paper in accordance with state statutes. Investment in corporate obligations must mature within 180 days of purchase and be rated within the top 3 classifications of two of the standard rating services. Accounts held by brokers/dealers in money markets not backed by government securities and mutual funds are nominal. The investment in the Illinois Funds Investment Pool is an external investment pool that is not registered with the SEC as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940 and is controlled by the Illinois State Treasurer. Investments for the purposes of the OPEB Trust are less restrictive, however, investments in corporate securities are limited to those with the top ratings as previously indicated.

Concentration of credit risk: The County places no limit on the amount invested in any one issuer other than those imposed by state statutes. Other than investments in securities and the Illinois Funds Investment Pool, the County's more significant investments in certificates of deposit, insured sweep accounts (ICS), and money markets were with the following institutions: \$74,459,116 in Morgan Stanley, \$4,696,433 in Bank of Edwardsville, \$17,065,725 in Bank of Belleville, \$14,544,069 in Associated Bank, \$13,079,853 in Reliance Bank and \$8,644,298 in Citizen's Community Bank.

Custodial credit risk-deposits: In the case of deposits, including non-negotiable certificates of deposit, the County minimizes its risks that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require that all monies deposited in banks and savings and loans that exceed 75% of the capital stock and surplus of such institution shall be collateralized by specific securities. However, the County generally requires collateral on all deposits over FDIC or SIPC coverage. The pledging financial institution's trust department or the Federal Reserve holds the collateral. At December 31, 2018, \$314,293 of the County's bank balances were uninsured or uncollateralized by specific securities or letters of credit.

It is the County's policy generally to hold investments until maturity; however, in 2018 there was a loss of \$612,659 recognized in the disposal of a mutual fund.

3. Receivables

Accounts receivable consists of the following:

Governmental Activities	
Sales, income, motor fuel and other tax revenue	\$ 4,709,247
Service and fee revenues	2,417,164
Other	411,312
Grant and intergovernmental revenues	7,190,427
Related parties	5,687
	<u>\$ 14,733,837</u>

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

Business-type Activities

Trade	604,562
Grant and intergovernmental revenues	694,148
Other	132,663
	<u>\$ 1,431,373</u>

The Airport uses the direct write-off method for uncollectible amounts. During 2018, there were no write-offs.

Property taxes are collected one year in arrears. Although levied in 2018, property taxes will be collected in mid-2019. Accordingly property taxes are reported as deferred inflows because they are not available to liquidate liabilities of the current period nor are they intended to do so. Property taxes receivable are as follows:

Current and delinquent taxes	\$ 40,046,778
Less allowance for uncollectible amounts	280,685
Net taxes receivables	<u>\$ 39,766,093</u>

The Airport derives a substantial portion of its revenues from non-cancelable operating leases with various tenants. The Airport property's cost under these operating leases, consisting primarily of land, structures, and improvements, at December 31, 2018 was \$21,066,208 with a carrying value of \$15,385,001. Depreciation for 2018 was \$650,623. Rentals included in operations for 2018 were \$675,282. The future minimum rentals to be received under these leases as of December 31, 2018 are as follows:

Year	Lease
2019	\$ 658,503
2020	542,665
2021	288,452
2022	288,452
2023	288,452
2024-2028	1,444,210
2029-2033	1,447,210
2034-2038	745,581
2039	6,300
Rental income under non-cancellable operating leases	<u>\$ 5,709,825</u>

4. Capital assets

Capital asset activity for 2018 was as follows:

Governmental Activities

	January 1, 2018	Additions	Deletions	December 31, 2018
Assets not being depreciated:				
Land	\$ 11,811,527	\$ -	\$ -	\$ 11,811,527
Construction in progress	1,121,319	1,793,323	733,164	2,181,478
Projects in progress	48,465	463,560	-	512,025
Infrastructure	-			-
Construction in progress	14,419,197	4,694,843	8,243,116	10,870,924
Land	6,961,250	-	-	6,961,250
	<u>34,361,758</u>	<u>6,951,726</u>	<u>8,976,280</u>	<u>32,337,204</u>
Assets being depreciated:				
Buildings and improvements	79,448,638	1,825,365	-	81,274,003
Equipment, furniture, and vehicles	39,907,552	1,018,987	491,983	40,434,556
Infrastructure-roads and bridges	129,313,967	8,243,116	-	137,557,083
	<u>248,670,157</u>	<u>11,087,468</u>	<u>491,983</u>	<u>259,265,642</u>
Total capital assets	283,031,915	18,039,194	9,468,263	291,602,846
Less accumulated depreciation for:				
Buildings and improvements	51,157,371	1,976,956	-	53,134,327
Equipment, furniture, and vehicles	28,394,173	2,193,041	483,202	30,104,012
Infrastructure-roads and bridges	52,603,168	4,271,437	-	56,874,605
	<u>132,154,712</u>	<u>8,441,434</u>	<u>483,202</u>	<u>140,112,944</u>
Government Activities capital assets, net	<u>\$150,877,203</u>	<u>\$ 9,597,760</u>	<u>\$ 8,985,061</u>	<u>\$ 151,489,902</u>

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

Depreciation charged to governmental activities during the period was as follows:

General government	\$ 787,779
Public safety	2,369,722
Judicial	603,166
Public health	195,744
Transportation	4,485,023
	<u>\$ 8,441,434</u>

Business-type Activities - MidAmerica St Louis Airport

	January 1, 2018	Additions	Deletions	December 31, 2018
Assets not being depreciated:				
Land	\$ 42,435,045	\$ -	\$ -	\$ 42,435,045
Construction in progress	2,111,341	1,604,639	3,458,246	257,734
	<u>44,546,386</u>	<u>1,604,639</u>	<u>3,458,246</u>	<u>42,692,779</u>
Assets being depreciated:				
Airfields	90,462,508	1,859,940	47,301	92,275,147
Land improvements	763,266	-	-	763,266
Ramps and aprons	20,866,812	-	-	20,866,812
Passenger terminal	18,361,469	704,177	-	19,065,646
Cargo terminal	9,697,411	-	-	9,697,411
Tenant facilities	11,017,294	12,525	95,881	10,933,938
Utilities	9,187,298	-	-	9,187,298
Roads and parking	8,160,729	374,978	-	8,535,707
Support facilities	5,527,734	-	-	5,527,734
Equipment, furniture, and vehicles	16,012,745	935,177	393,618	16,554,304
	<u>190,057,266</u>	<u>3,886,797</u>	<u>536,800</u>	<u>193,407,263</u>
Total capital assets	234,603,652	5,491,436	3,995,046	236,100,042
Less accumulated depreciation	103,122,221	6,099,669	501,762	108,720,128
Government Activities capital assets, net	<u>\$131,481,431</u>	<u>\$ (608,233)</u>	<u>\$ 3,493,284</u>	<u>\$ 127,379,914</u>

Depreciation charged to operations was \$6,099,669 for 2018.

5. Interfund receivables, payables, and transfers

Interfund balances have resulted from short-term borrowings and interfund charges not yet reimbursed as of the end of the reporting period before the consolidation of the Internal Service funds.

The composition of interfund balances at December 31, 2018 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Non-major governmental funds	\$ 2,319,674
General Fund	MidAmerica St Louis Airport	4,085,305
General Fund	Internal Service funds	3,468,160
Transportation Fund	General Fund	117,486
Transportation Fund	Non-major governmental funds	2,328
Non-major governmental funds	Non-major governmental funds	1,122,672
Non-major governmental funds	Internal Service funds	460
Non-major governmental funds	General Fund	<u>1,143,258</u>
		12,259,343
Internal Service funds	General Fund	118,263
Internal Service funds	Transportation Fund	250,270
Internal Service funds	Non-major governmental funds	236,889
		<u>\$ 12,864,765</u>

Advances to other funds, made in prior and current years and where the timing of repayment is not determinable, have been eliminated and not reported on the face of the financial statements. Included in the advances by the Public Building Commission are funds advanced in 2018 for the extension of the parking facilities at the Airport in the amount of \$506,161. These current year advances are recorded as transfers.

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

The amounts that have been eliminated are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	MidAmerica St Louis Airport	\$ 56,595,698
Public Building Commission	MidAmerica St Louis Airport	\$ 13,323,079

Transfers between governmental funds include, but not limited to, County match for various grant programs, operating costs, and debt service funding.

Transfer-out	Transfer-in	Governmental Funds	Business-type Funds
General Fund	MidAmerica St Louis Airport	\$ -	\$ 1,891,832
General Fund	Non-major governmental funds	405,228	-
General Fund	Debt Service Fund	10,000,000	-
Transportation Funds	Debt Service Fund	1,978,407	-
Lease Payable Fund	MidAmerica St Louis Airport	-	1,152,708
Debt Service Fund	MidAmerica St Louis Airport	-	2,532,382
Non-major governmental funds	General Fund	120,820	-
Non-major governmental funds	Non-major governmental funds	20,896	-
Non-major governmental funds	MidAmerica St Louis Airport	-	196,423
		<u>\$ 12,525,351</u>	<u>\$ 5,773,345</u>

In the governmental funds financial statements, total transfers-out exceeded transfers-in by \$5,773,345 because of transfers made to the Enterprise fund. These transfers included cash transfers and expenses of the Enterprise fund paid by governmental funds on its behalf. Cash transfers of \$1,128,000 and certain capital expenditures of \$9,617 are expected to be repaid in the long-term future and are considered by the County as part of the "Advances to other funds" previously discussed.

6. Debt and Lease Obligations

The County uses various vehicles to finance the acquisition and construction or improvement of major capital facilities and equipment for both governmental and business-type activities.

Capital lease obligations

Governmental Activities

The County entered into a capital lease agreement in 2015 for the purchase of certain 911 radio equipment and systems at an interest rate of 3.55% to upgrade the 911 Emergency Telephone System. Costs included in capitalized equipment is \$2,627,851. This lease is deemed to be a general obligation of the County and payable from the Emergency Telephone Fund. Future minimum lease payments at December 31, 2018 are as follows:

Year	Lease
2019	\$ 394,760
2020	394,760
2021	394,760
2022	394,760
2023	394,760
2024-2025	1,184,279
	<u>3,158,079</u>
Less amount representing interest and amortization	447,734
Obligation under capital lease	<u>\$ 2,710,345</u>

As part of the lease agreement, the County entered into a 9-year maintenance and support agreement payable annually over the term of the agreement of which \$4,248,908 remains. Commitments of approximately \$595,000 for additional equipment are payable from bond proceeds. Interest charged to operations in 2018 for the lease was \$98,693.

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

In 2018, the County entered into a second capital lease agreement for the purchase of equipment and systems to expand the 911 dispatching services at an interest rate of 4.084%. Cost of capitalized equipment is \$463,560. This lease is deemed to be a general obligation of the County and payable from the Emergency Telephone Fund. Future minimum lease payments at December 31, 2018 are as follows:

<u>Year</u>	<u>Lease</u>
2019	\$ 68,366
2020	68,366
2021	68,366
2022	68,367
2023	68,366
2024-2025	<u>205,099</u>
	546,930
Less amount representing interest and amortization	<u>83,370</u>
Obligation under capital lease	<u><u>\$ 463,560</u></u>

Interest charged to operations in 2018 for the lease was \$11,964.

Business-type Activities

The County entered into a capital lease agreement in December, 2018 for the purchase of equipment at an interest rate of 4.95%. Costs included in capitalized equipment is \$107,926. This lease is deemed to be a general obligation of the County and payable from Airport operations. Future minimum lease payments at December 31, 2018 are as follows:

<u>Year</u>	<u>Lease</u>
2019	\$ 23,769
2020	23,769
2021	23,768
2022	<u>23,768</u>
	95,074
Less amount representing interest	<u>10,917</u>
Obligation under capital lease	<u><u>\$ 84,157</u></u>

Through the Public Building Commission of St. Clair County, a component unit established under the Illinois Public Building Commission Act, the County has financed much of its land and facilities using capital lease obligations for both its governmental and business-type activities. These non-cancelable leases are deemed general obligations of the County to pay net rentals using the property tax levy from the Lease Payable Fund or other appropriate operating revenues of the County. The leases have been eliminated in the government-wide financial statements. Obligations of the County to the Public Building Commission for Governmental Activities and Business-type Activities are as follows and more fully discussed in the related bond footnotes:

Governmental Activities	\$ 11,000,426
Business-type Activities	<u>10,325,270</u>
	<u><u>\$ 21,325,696</u></u>

Limited Obligation Revenue bonds

Government Activities

In 2013 the County issued \$28,375,000 in Highway Revenue Bonds, Series 2013A to advance refund outstanding bonds and provide funds to construct, maintain, and improve certain County highways, roads and bridges. The advance refunding met the requirements of an in-substance debt defeasance and the bond liability for those bonds has been removed from the balance sheet and will be paid by the escrow agent. At December 31, 2018, there was no outstanding balance.

These bonds are limited obligations of the County with a claim for payment solely from Highway Revenues (2018 collections: Motor Fuel Tax \$4,242,697, County Highway Tax \$3,24,996, and Matching Tax \$1,266,171). The County is required to deposit monthly into a separate fund fractional shares of principal and interest becoming due on the next succeeding payment. Debt service payments made from these pledged revenues was \$1,978,406. Interest is payable each January 1 and July 1 while principal is due each January 1.

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

Interest rates for the Taxable Highway Revenue Bonds, Series 2013A range from 3.625% to 5.00%, and principal is due each January 1 as follows:

Year		Principal	Interest	Total
2019	5.00%	\$ -	\$ 535,078	\$ 535,078
2020	4.00%	905,000	1,052,056	1,957,056
2021	4.00%	945,000	1,015,056	1,960,056
2022	4.00%	980,000	976,556	1,956,556
2023	4.00%	1,020,000	936,556	1,956,556
2024-2028	3.625%-4.00%	5,735,000	4,039,878	9,774,878
2029-2033	4.00%-4.465%	6,985,000	2,743,995	9,728,995
2034-2038	4.466%-4.472%	8,685,000	1,003,969	9,688,969
Outstanding bonds		25,255,000	<u>\$ 12,303,144</u>	<u>\$ 37,558,144</u>
Unamortized premium		502,292		
Carrying value		<u>\$ 25,757,292</u>		

The Series 2013A Bonds due on or after January 1, 2024, are subject to redemption prior to maturity at the option of the County in 2023 or thereafter at par plus accrued interest.

Payments due January 1, 2019 were paid at December 31, 2018 and not included above. Total interest, net of amortization of premiums and refinancing losses, charged to operations for the Transportation functions was \$1,069,661.

General obligation debt

Revenue bonds

The Commission has issued various debt instruments in order to finance the acquisition, construction, or improvements to County facilities. These facilities are used for both governmental and airport activities of the St. Clair County government. This debt is being financed through lease agreements with the County as previously discussed.

Purpose	Interest rates	Amount
Governmental Activities		
Buildings	3.00-3.625%	\$ 1,650,000
Buildings	5.00%	4,935,000
Buildings	5.875%	4,245,000
Business-type Activities		
Airport improvements	3.85-5.50%	10,080,000
		<u>\$ 20,910,000</u>

The Commission's revenue bonds are general lease obligations of the County and the County Board has resolved to levy taxes to pay annual rents. Future minimum lease payments as of December 31, 2018 for Governmental Activities were as follows:

Year	Total Lease	Operations & Maintenance
2019	\$ 11,819,720	\$ 11,248,907
2020	12,076,316	11,506,103
2021	13,050,298	11,776,410
2022	12,572,171	12,044,308
2023	10,335,519	9,807,656
2024-2028	52,414,782	49,011,484
2029-2033	53,944,292	49,000,000
2034-2038	56,296,006	49,000,000
2039-2041	29,400,000	29,400,000
	251,909,104	<u>\$ 232,794,868</u>
Less amount representing executory cost (i.e., maintenance, etc.)	232,794,868	
Less: Amount representing interest and amortization	8,113,810	
Obligation under capital lease	<u>\$ 11,000,426</u>	

ST. CLAIR COUNTY, ILLINOIS
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Rent payments under these leases were \$10,864,726 recorded in the Lease Payable Fund, \$76,894 included in the Emergency Telephone expenses, \$16,925 in the Veterans Assistance expenses, \$37,500 in the General Fund expenses, \$21,600 in grant funds, and \$250,297 in the County Health expenses. The County has been able to abate certain tax levies for the remaining lease commitments. Lease revenues from other lessees are currently financing the remaining lease commitments in the amount of \$293,724 which includes \$173,104 from the Intergovernmental Grants Department. At such time that operating lease revenues are insufficient to meet debt service and executory cost requirements, the County will no longer abate this portion of the lease levy.

The underlying debt service for these leases being paid by the Public Building Commission are as follows.

The \$1,750,000 Taxable Revenue Refunding Bonds, Series 2013 carry interest rates of 3% to 3.625%. Debt service requirements for the Taxable Revenue Refunding Bonds, Series 2013 are as follows:

Year		Principal	Interest	Total
2019	3.00%	\$ 20,000	\$ 54,969	\$ 74,969
2020	3.00%	20,000	54,368	74,368
2021	3.00%	735,000	53,769	788,769
2022		-	31,719	31,719
2023		-	31,719	31,719
2024-2025	3.625%	875,000	63,438	938,438
Outstanding bonds		1,650,000	\$ 289,982	\$ 1,939,982
Unamortized discount		(3,082)		
Carrying value		<u>\$ 1,646,918</u>		

Interest and amortization charged to operation on the 2013 bonds was \$52,391. The unamortized deferred charges were \$18,791 at December 31, 2018.

The 2011 revenue bond issue was part of a refinancing and was divided into 3 series of taxable and non-taxable bonds: the Series 2011A Tax-Exempt bonds of \$4,935,000; the Series 2011B Taxable bonds of \$4,245,000; and the Series 2011C Taxable bonds of \$13,980,000. Lease payments made to cover the debt services are paid from the County's Lease Payable Fund.

The Series 2011A revenue bonds of \$4,935,000 are payable as follows:

Year		Principal	Interest	Total
2019		\$ -	\$ 246,750	\$ 246,750
2020		-	246,750	246,750
2021		-	246,750	246,750
2022		-	246,750	246,750
2023		-	246,750	246,750
2024-2028		-	1,233,750	1,233,750
2029-2033		-	1,233,750	1,233,750
2034-2038	5.00%	4,935,000	794,750	5,729,750
Outstanding bonds		4,935,000	\$ 4,496,000	\$ 9,431,000
Unamortized premium		141,293		
Carrying value		<u>\$ 5,076,293</u>		

The Series 2011B taxable revenue bonds of \$4,245,000 are payable as follows:

Year		Principal	Interest	Total
2019		\$ -	\$ 249,394	\$ 249,394
2020		-	249,394	249,394
2021		-	249,394	249,394
2022		-	249,394	249,394
2023		-	249,394	249,394
2024-2028		-	1,246,969	1,246,969
2029-2033	5.875%	2,615,000	1,172,356	3,787,356
2034-2035	5.875%	1,630,000	107,512	1,737,512
Outstanding bonds		<u>\$ 4,245,000</u>	<u>\$ 3,773,807</u>	<u>\$ 8,018,807</u>

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financial Statements

Interest and amortization charged to operation on the 2011A and B bonds was \$448,802. Unamortized deferred charges were \$277,118 at December 31, 2018.

The Series 2011C revenue bonds associated with the Business-type Activities are also being financed through a lease agreement with the County. The 2018 lease payment of \$1,152,708 was paid by the Lease Payable and considered a capital contribution to the Enterprise Fund. Future minimum lease payments as of December 31, 2018 for Business-type Activities were as follows:

Year	Total Lease
2019	\$ 1,148,941
2020	1,151,719
2021	442,298
2022	1,190,276
2023	1,189,855
2024-2028	5,209,080
2029-2031	3,695,423
Obligation under capital lease	14,027,592
Less: Amount representing interest and amortization	3,947,592
Obligation under capital lease	<u>\$ 10,080,000</u>

The Series 2011C revenue bonds of \$13,980,000 were used to advance refund outstanding debt and accreted interest for Airport properties. The Series 2011C bond debt service requirements to maturity are as follows:

Year		Principal	Interest	Total
2019	3.85%	\$ 665,000	\$ 496,742	\$ 1,161,742
2020	4.15%	695,000	471,140	1,166,140
2021		-	442,298	442,298
2022	4.45%	765,000	442,298	1,207,298
2023	4.60%	800,000	408,255	1,208,255
2024-2028	4.75%-5.20%	3,745,000	1,557,675	5,302,675
2029-2031	5.30%-5.50%	3,410,000	377,555	3,787,555
Outstanding bonds		10,080,000	<u>\$ 4,195,963</u>	<u>\$ 14,275,963</u>
Unamortized premium		1,557		
Carrying value		<u>\$ 10,081,557</u>		

Interest and amortization charged to operation on the 2011C was \$516,640.

Debt certificates

In March 2014, the County issued \$5,125,000 Taxable General Obligation Debt Certificates (Limited Tax), Series 2014 to finance improvements to the County's 911 system. The certificates are general obligations of the County. Interest rates for the certificates ranged from .65% to 5.40%.

Interest payments are due June 30 and December 30 and principal is due each December 30 as follows:

Year		Principal	Interest	Total
2019	3.30%	\$ 305,000	\$ 172,908	\$ 477,908
2020	3.75%	315,000	162,843	477,843
2021	4.10%	325,000	151,030	476,030
2022	4.35%	340,000	137,705	477,705
2023	4.55%	355,000	122,915	477,915
2024-2028	4.95-5.40%	2,040,000	336,420	2,376,420
		<u>\$ 3,680,000</u>	<u>\$ 1,083,821</u>	<u>\$ 4,763,821</u>

The Emergency Telephone System Fund is expected to make all of the debt service payments. Interest charged to operations in 2018 was \$181,168.

ST. CLAIR COUNTY, ILLINOIS
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General obligation contracts

In May 2014, the County entered into a general obligation contract for the purchase of highway maintenance equipment. The contract is a general obligation of the County, bears an interest rate of 3.94% and is secured by equipment. Annual payments of principal and interest are due May 15th of each year and payable from the Transportation Funds.

Year		Principal	Interest	Total
2019	3.94%	<u>\$ 57,883</u>	<u>\$ 2,282</u>	<u>\$ 60,165</u>

In May 2017, the County entered into a general obligation contract for the purchase of highway maintenance equipment. The contract is a general obligation of the County, bears an interest rate of 3.95% and is secured by equipment. Annual payments of principal and interest are due May 15th of each year and payable from the Transportation Funds.

Year		Principal	Interest	Total
2019	3.95%	\$ 44,293	\$ 4,142	\$ 48,435
2020	3.95%	60,567	2,392	62,959
		<u>\$ 104,860</u>	<u>\$ 6,534</u>	<u>\$ 111,394</u>

Total interest charged to operations in 2018 for the Transportation functions was \$7,878.

Business-type Activities

In 2015, the County issued \$37,005,000 in General Obligation Refunding Bonds (Alternative Revenue Source) to advance refund certain outstanding 1999 principal and accreted interest and certain 2009 Series bonds. The advance refunding met the requirements of an in-substance debt defeasance and was done as an advance refunding. On December 31, 2018, \$31,150,000 of the 2009 defeased bonds were outstanding.

Interest is payable each April 1 and October 1 while principal is due October 1. The current interest bonds that were not defeased or paid as of the end of 2018 are payable as follows:

Year		Principal	Interest	Total
2019		\$ -	\$ 2,172,638	\$ 2,172,638
2020		-	2,172,638	2,172,638
2021		-	2,172,637	2,172,637
2022		-	2,172,638	2,172,638
2023		-	2,172,638	2,172,638
2024-2028		-	10,863,187	10,863,187
2029-2033	5.375%-5.75%	6,990,000	10,314,200	17,304,200
2034-2038	5.75%-6.00%	11,255,000	7,666,787	18,921,787
2039-2043	6.00%	15,030,000	3,881,100	18,911,100
2044	6.00%	3,570,000	214,200	3,784,200
Outstanding bonds		<u>36,845,000</u>	<u>\$ 43,802,663</u>	<u>\$ 80,647,663</u>
Unamortized discount		<u>(815,868)</u>		
Carrying value		<u>\$ 36,029,132</u>		

In 2009, the County issued \$50,105,000 in General Obligation Refunding Bonds to advance refund certain outstanding 1999 Series bonds. The Series 2009 bonds (General Obligation Refunding Bonds-Alternative Revenue Source) are current interest bonds. The bonds and interest are payable from certain pledged revenues, escrow deposits, and real estate taxes, if necessary. Pledged revenues include grant revenues, Passenger Facility Charges, and net Airport revenues derived from the operation of the Airport. The balance of Passenger Facility Charges held as restricted assets at December 31, 2018 was \$249,069.

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Interest is payable each April 1 and October 1 while principal is due each October 1. The remaining current interest bonds that were not defeased in 2015 are payable as follows:

Year		Principal	Interest	Total
2019	5.00%	\$ 935,000	\$ 679,212	\$ 1,614,212
2020	4.50%	980,000	632,462	1,612,462
2021	5.00%	1,025,000	588,363	1,613,363
2022	5.00%	1,075,000	537,113	1,612,113
2023	5.25%	1,130,000	483,363	1,613,363
2024-2028	5.25%	6,615,000	1,461,050	8,076,050
2029	5.00%	1,535,000	76,750	1,611,750
Outstanding bonds		13,295,000	<u>\$ 4,458,313</u>	<u>\$ 17,753,313</u>
Unamortized premium		152,709		
Carrying value		<u>\$ 13,447,709</u>		

Bonds due on or after October 1, 2020 are subject to redemption prior to maturity at the option of the County at par plus accrued interest.

Debt service for the 2009 and 2015 bonds was paid from the County Debt Service Fund and Passenger Facility Charges in 2018. Payments from the Debt Service fund are recorded as a transfer to the Airport for financial reporting purposes. The unamortized deferred charge on refinancing was \$7,667,567 at December 31, 2018. Total interest, net of amortization of premiums and deferred refinancing charges, charged to operations for the general obligation bond issues amounted to \$3,687,221.

Debt Certificates

The County issued \$3,695,000 Taxable General Obligation Debt Certificates (Limited Tax), Series 2013 to construct facilities at MidAmerica St. Louis Airport in 2013. The certificates are general obligations of the County and paid by the Airport. Interest payments are due June 30 and December 30 and principal is due each December 30 as follows:

Year		Principal	Interest	Total
2019	3.50%	\$ 165,000	\$ 126,200	\$ 291,200
2020	3.50%	170,000	120,425	290,425
2021	3.50%	175,000	114,475	289,475
2022	3.50%	185,000	108,350	293,350
2023	4.25%	185,000	101,875	286,875
2024-2028	4.25%-4.75%	1,045,000	385,486	1,430,486
2029-2032	4.75%	1,020,000	123,500	1,143,500
Outstanding bonds		2,945,000	<u>\$ 1,080,311</u>	<u>\$ 4,025,311</u>
Unamortized discount		(1,384)		
Carrying value		<u>\$ 2,943,616</u>		

Interest charged to Airport operations for 2018 was \$131,804.

Changes in long-term liabilities

The following is a summary of long-term obligation transactions during 2018.

Governmental Activities

	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year
Limited obligation revenue bonds	\$ 26,666,037	\$ -	\$ 908,745	\$ 25,757,292	\$ -
General obligation revenue bonds	10,995,352	-	27,141	10,968,211	20,000
Capital leases - equipment	3,086,594	482,072	394,760	3,173,906	352,553
Debt certificates	3,975,000	-	295,000	3,680,000	305,000
General obligation contracts	261,040	-	98,297	162,743	102,176
Insurance claims	1,745,000	-	356,000	1,389,000	-
	<u>\$ 46,729,023</u>	<u>\$ 482,072</u>	<u>\$ 2,079,943</u>	<u>\$ 45,131,152</u>	<u>\$ 779,729</u>

For Governmental Activities, the combined interest cost was \$1,870,557. Interest of \$1,077,539 is charged directly to Transportation functions while \$291,657 is charged directly to Public Safety, and the remaining is unallocated.

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Existing Highway debt issues are currently subject to federal arbitrage regulations at December 31, 2018 however no liability exists.

Business-type activities

	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year
General obligation bonds	\$ 50,355,713	\$ -	\$ 878,872	\$ 49,476,841	\$ 935,000
General obligation revenue bonds	10,726,762		645,205	10,081,557	665,000
Capital lease - equipment	-	107,926	23,769	84,157	19,507
Debt certificates	3,098,437		154,821	2,943,616	165,000
	<u>\$ 64,180,912</u>	<u>\$ 107,926</u>	<u>\$ 1,702,667</u>	<u>\$ 62,586,171</u>	<u>\$ 1,784,507</u>

Total Airport interest and amortization expensed aggregated to \$4,336,758.

Debt service requirement are as follows:

Year	Governmental Activities		Business-type Activities		Total
	Debt	Leases	Debt	Leases	
2019	\$ 1,644,263	\$ 463,126	\$ 5,239,793	\$ 23,768	\$ 7,370,950
2020	3,005,411	463,126	5,241,665	23,768	8,733,970
2021	3,720,999	463,126	4,517,772	23,769	8,725,666
2022	2,962,123	463,127	5,285,398	23,768	8,734,416
2023	2,962,334	463,126	5,281,130	-	8,706,590
2024-2028	15,570,454	1,389,378	25,672,399	-	42,632,231
2029-2032	14,750,101	-	23,847,005	-	38,597,106
2034-2038	17,156,232	-	18,921,788	-	36,078,020
2039-2043	-	-	18,911,100	-	18,911,100
2044	-	-	3,784,200	-	3,784,200
	<u>\$ 61,771,917</u>	<u>\$ 3,705,009</u>	<u>\$ 116,702,250</u>	<u>\$ 95,073</u>	<u>\$ 182,274,249</u>

Under Illinois State statutes, the limit of long-term indebtedness is 2.875% of the value of the taxable property ascertained by the last assessment. This limit does not include indebtedness for the purpose of certain buildings, roads, and airports. The computation to ensure St. Clair County is within the limit is as follows:

Equalized assessed value of taxable property – 2018 tax year	<u>\$ 4,073,432,011</u>
Debt limit	\$ 117,111,170
Total debt authorized and issued:	
Deemed general obligations direct bonded indebtedness	-
Other direct general obligation	54,479,898
Legal debt margin	<u>\$ 62,631,272</u>

Other direct general obligations represent the present value of the operations and maintenance portion of the lease obligations with the Public Building Commission.

7. Net Position

Restricted net position that has been restricted by enabling legislation was \$111,081,038 while \$8,377,023 for governmental activities and \$527,265 for business-type activities are restricted by 3rd party contracts and bond covenants.

The County's general spending prioritization policy is to consider restricted net position to have been used first, followed by unrestricted amounts when expenditures have been incurred for which resources in more than one classification could be used.

8. Fund Balances

Fund balances are classified as follows:

Non-spendable —Amounts that cannot be spent either because they are not in a spendable form (i.e.; inventories and prepaids) or because they are legally or contractually required to be maintained intact.

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Restricted—Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed—Amounts that can be used only for specific purposes determined by a formal action of the County. The County Board is the highest level of decision-making authority of the County. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the County.

Assigned—Amounts that do not meet the criteria to be classified as restricted or committed but that are intended by management to be used for specific purposes. The County's fund balances may be assigned by management as agreed upon by the finance committee of the County Board as to the County's intent to be used for specific purposes. Assigned balances also include amounts appropriated for subsequent year expenditures as authorized by the County Board in the adopted budget.

Unassigned —All other spendable amounts.

As of December 31, 2018, fund balances are composed of the following:

	(in thousands)					
	General Fund	Transportation Fund	Lease Payable Fund	Debt Service Fund	Non-Major Fund	Total Governmental Funds
Non-spendable						
Inventory	\$ 138	\$ 126	\$ -	\$ -	\$ 5	\$ 269
Prepaid	564	-	175	-	21	760
Restricted						
Tort	-	-	-	-	1,423	1,423
Public safety	111	-	-	-	8,257	8,368
Transportation	-	40,391	-	-	-	40,391
Leases	-	-	588	-	-	588
Debt service	-	-	-	4,472	-	4,472
Public health	-	-	-	-	6,333	6,333
Retirement	-	-	-	-	8,538	8,538
Court services	-	-	-	-	6,760	6,760
Parks & recreation	-	-	-	-	4,863	4,863
Other	-	-	-	-	4,712	4,712
Committed						
Capital Projects	4,340	-	-	-	-	4,340
Automation	458	-	-	-	-	458
Judicial	178	-	-	-	-	178
Economic Development	163	-	-	-	-	163
Debt service	-	-	-	3,785	-	3,785
Assigned						
Working cash	1,241	-	-	-	-	1,241
Automation	24	-	-	-	-	24
Economic Development	395	-	-	-	-	395
Debt service	-	-	-	12,421	-	12,421
Unassigned	15,890	-	-	-	(1,769)	14,121
	<u>\$ 23,502</u>	<u>\$ 40,517</u>	<u>\$ 763</u>	<u>\$ 20,678</u>	<u>\$ 39,143</u>	<u>\$ 124,603</u>

The County's general spending prioritization policy is to consider restricted resources to have been used first, followed by committed, assigned, and unassigned amounts when expenditures have been incurred for which resources in more than one classification could be used.

The Pet Population, Detention Home and Bailiff funds had negative fund balances of \$24,740, \$750,462 and \$993,564, respectively, at December 31, 2018. The funds' deficits will be recovered at a later date.

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9. Risk Management

Tort

Most insurance costs are funded and charged to the Tort Liability Fund which is included in the General Fund. The Tort Liability Fund is funded through a tax levy specifically established to cover insurance costs. Property tax revenues recognized in 2018 for tort purposes were \$3,438,790.

The County has a large deductible insurance program for property, contractors' tools and equipment, crime, worker's compensation, automobile, general liability, abuse or molestation/sexual misconduct liability, public officials liability, law enforcement liability, and pollution liability risks. The County purchases commercial insurance for excess coverage over the self-funded retention amounts and has elected to fully insure selected exposures. The County uses a third party actuary to help determine funding requirements based on trends in actual claims experiences, stop loss coverage, and provision for catastrophic losses. There have been no significant changes in the excess coverage in the prior 3 years and there have been no instances of settlements exceeding the excess coverage. The County participates in the Illinois Counties Risk Management Trust (ICRMT) program for many of its coverages. The ICRMT Program is a non-assessable plan.

Based upon specific circumstances pertaining to certain departments or coverage, the County has elected to fully insure the Intergovernmental Grants Department's worker's compensation. This policy provides first dollar coverage with nominal deductibles. The self-funded part of the program consists of all remaining property (real, personal, contractor's equipment and EDP exposures) and liability as well as the worker's compensation. The property coverage is written on a replacement cost basis with a total insurable value of \$176,132,062 exclusive of the airport, and \$100,000 self-funded retention amounts per loss. The property coverage includes flood, earthquake and mine subsidence of \$10 million (\$250 million program aggregate) with self-insured retention of the greater of \$100,000 or 5% of the damaged location for earthquake and \$100,000 for flood.

The premises, products, law enforcement, dispatchers, professional, automobile, public officials, and health professional liabilities (excluding doctors and dentists) are included as part of the general liability coverage. The general liability has a per occurrence limit of \$1,000,000 with a general aggregate liability limit of \$3,000,000. The general liability is subject to a \$250,000 self-funded retention per occurrence. Public Officials liability is limited to \$1,000,000 while physical and sexual abuse coverage is limited to \$2,000,000 with \$250,000 retention and a \$4,000,000 aggregate. Law enforcement liability is limited to \$1,000,000 per occurrence and a \$3,000,000 annual aggregate and \$250,000 self-funded retention. Auto liability coverage is limited to \$1,000,000 per incident with a \$250,000 self-insured retention while property damage is limited to \$7,706,511 in the aggregate. There is excess liability coverage with a limit of \$20,000,000 that applies to general liability, law enforcement, auto, and public officials limited to \$1,000,000 per occurrence. The worker's compensation coverage (not including the Intergovernmental Grants Department) is written on a statutory basis with an employer's liability limit per incident of \$2,500,000 and a \$350,000 self-funded retention. These coverages are included in the ICRMT program.

The Crime and Public Employee Blanket Bond coverage is also included in the ICRMT. The Crime coverage is written on a faithful performance basis with a limit of \$1,000,000 for Employee Dishonesty, Money and Securities (both inside/outside) and Depositors Forgery. All coverages are subject to a \$100,000 deductible.

Pollution liability insurance is limited to \$1,000,000 per pollution condition with an aggregate limit of \$2,000,000 with \$50,000 retention for each.

For the MidAmerica St. Louis Airport operations, the County is insuring specific coverages: contractors' equipment, airport owners and operators general liability, airport public officials liability, pollution liability, property and automobiles with varying deductibles. The airport owners and operators general liability policy includes products, completed operations, war, hangar keepers, hi-jacking and other aviation liability coverage with a \$100 million aggregate. It also provides an excess \$50 million limit for employer liability and auto over the automobile liability coverage of \$1 million. Aviation public official liability carries a \$5 million limit and \$25,000 deductible while sexual misconduct liability is limited to \$1 million with a \$5,000 deductible.

Environmental impairment liability – select coverage is limited to \$10 million per occurrence, including business interruption, with an annual aggregate of \$20 million. Deductible for each occurrence is \$100,000 and \$300,000 in the aggregate.

The blanket coverage applies to building contents, runways, taxiways and aprons, roads, parking lots, and utilities, and equipment with limits of \$224 million and \$25,000 per occurrence deductibles. The sublimit for flood is \$100 million with \$100,000 deductible. The sublimit for earth movement is \$50 million, with a deductible of 2% of applicable values subject to a \$100,000 minimum per occurrence. Coverage for terrorism is also included. Separate automobile coverage is limited to \$1 million.

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International general and products liability coverage are limited to \$1 million per occurrence with an annual aggregate of \$2 million with no deductibles and contingent automobile coverage of \$1 million. Additional foreign workers' compensation is limited to \$1 million. A special crime policy is limited to \$1,000,000.

The insurance premiums and fees for Airport coverage are paid from the Tort Fund. Airport related insurance costs including premiums, legal fees and deductible payments have been recorded as transfers by the Tort Fund and charged to airport operations for the year ended December 31, 2018 in the amount of \$424,892.

Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Because actual claim liabilities depend on complex factors such as inflation, legal changes and damage awards, the process used in computing claims liability does not necessarily result in exact amounts. Liabilities are reevaluated periodically to take into consideration all of these factors.

The County is a defendant in a significant number of lawsuits. As of December 31, 2018, the County estimates settlement to be \$3,200,297 of which \$1,389,000 is recorded in long-term liabilities in the government-wide financial statements and are payable from Tort funds included with the General Fund accounts. Changes in the balances of claims liabilities were as follows:

Year	Claims Liability January 1	Claims and Changes in Estimates	Claim Payments	Claims Liability December 31
2018	\$ 2,727,466	1,313,516	\$ 840,685	\$ 3,200,297
2017	2,966,755	424,454	663,743	2,727,466
2016	3,062,884	800,191	896,320	2,966,755

Employee Medical

The County has a self-insurance program covering certain health and welfare benefits for substantially all of its employees including the Intergovernmental Grants Department and the Public Building Commission. Aggregate health claims in excess of \$13,244,088 for the County with \$250,000 per individual and life insurance benefits are covered by third party insurance in conjunction with this program. There have been no significant decreases in the stop loss coverage in the prior 3 years. The employee medical plan is funded with the County contributing to the Employee Medical Trust Fund, an Internal Service Fund, the cost for its employees with a minimal contribution by the employee. The net cost is charged to the various funds of the County based upon a third party actuarial determination. The employee, through payroll deduction, pays the employees' portion of dependent coverage.

The County must also provide health coverage to certain retired employees and their eligible dependents under the Municipal Employee's Continuation Privilege law. Premiums for full coverage or Medicare supplement are withheld by IMRF from retirement pay and paid directly to the County. Premiums and costs are included in the Internal Service Fund. Funding for these post-employment benefits (OPEB) is discussed below.

The claims liability reported on the financial statements is based on the probability that as of the date of the financial statements, a liability was incurred and that the amount of the loss can be reasonably estimated. Claims are payable from the Internal Service Fund. Changes in fund claim liability amounts were:

Year	Claims Liability January 1	Claims and Changes in Estimates	Claim Payments	Claims Liability December 31
2018	\$ 1,753,713	11,914,845	\$ 12,662,932	\$ 1,005,626
2017	1,125,827	12,028,184	11,400,298	1,753,713
2016	1,366,874	11,444,632	11,685,679	1,125,827

10. Defined benefit pension plan - Illinois Municipal Retirement Fund

Plan Description

The County's defined benefit pension plan for employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The County's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provider" section of this document. Details of all benefits are available for IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report may be obtained for download at www.imrf.org.

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Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs and deputy sheriffs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date). Plan totals below include amounts allocated to the component units: the Public Building Commission and the Intergovernmental Grants Department.

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired after January 1, 2011, are eligible for Tier 2 benefits. Tier 2 employees are vested for pension benefits when they have at least ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 96 months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- ½ of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

As of December 31, 2018, the following employees were covered by the benefit terms:

	Regular	SLEP	ECO
Retirees and Beneficiaries currently receiving benefits	749	111	38
Inactive Plan Members entitled to but not yet receiving benefits	432	39	14
Active Plan Members	644	118	5
	<u>1825</u>	<u>268</u>	<u>57</u>

Contributions

As set by statute, the County's Plan Members are required to contribute 4.5% of their annual covered salary; SLEP and ECO Plan Members are required to contribute 7.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement of its own employees. The County also contributes for disability benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

	Regular	SLEP	ECO
Annual 2018 County Contribution rate	10.91%	21.13%	50.06%
2018 Contributions	\$ 3,216,422	\$ 1,901,331	\$ 258,031

Net Pension Liability

The County's net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date and includes the Intergovernmental Grants Department.

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Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2018:

- The **Actuarial Cost Method** used was Entry Age Normal
- The **Asset Valuation Method** used was Market Value.
- The **Inflation Rate** was assumed to be 2.50%
- **Salary Increases** were expected to be 3.39% to 14.25%.
- The **Investment Rate of Return** was assumed to be 7.25% for Regular, 7.25% for SLEP, and 7.25% for ECO.
- **Projected Retirement Age** was from the experience-based table of rates, specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study from years 2014 to 2016.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives. For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The long-term expected **Rate of Return** on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of ten year geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-term Expected Real Rate of Return
Domestic Equity	37%	7.15%
International Equity	18%	7.25%
Fixed Income	28%	3.75%
Real Estate	9%	6.25%
Alternative Investments	7%	
Private Equity		8.50%
Hedge funds		5.50%
Commodities		3.20%
Cash Equivalents	1%	2.50%
Total	<u>100%</u>	

There were no benefit changes during the year.

Single Discount Rate

A Single Discount Rate of 7.25% for Regular, SLEP, and ECO was used to measure the total pension liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period on which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 3.71%, and the resulting single discount rate is 7.25%.

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Changes in Net Pension Liability

Regular Plan	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A-B)
Balances at December 31, 2017	<u>\$200,633,126</u>	<u>\$204,040,166</u>	<u>\$ (3,407,040)</u>
Changes for the year:			
Service Cost	2,865,487	-	2,865,487
Interest on the Total Pension Liability	14,756,078	-	14,756,078
Changes on Benefit Terms	-	-	-
Differences Between Expected & Actual Experience of the Total Pension Liability	(2,373,016)	-	(2,373,016)
Changes of Assumptions	5,486,559	-	5,486,559
Contributions – Employer	-	3,216,422	(3,216,422)
Contributions – Employees	-	1,391,836	(1,391,836)
Net Investment Income	-	(11,434,050)	11,434,050
Benefit Payments, including Refunds Of Employee Contributions	(10,636,334)	(10,636,334)	-
Other (Net Transfer)	-	2,981,129	(2,981,129)
Net Changes	<u>10,098,774</u>	<u>(14,480,997)</u>	<u>24,579,771</u>
Balances at December 31, 2018	<u>\$210,731,900</u>	<u>\$189,559,169</u>	<u>\$ 21,172,731</u>
SLEP Plan	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A-B)
Balances at December 31, 2017	<u>\$ 85,475,471</u>	<u>\$ 77,530,700</u>	<u>\$ 7,944,771</u>
Changes for the year:			
Service Cost	1,672,024	-	1,672,024
Interest on the Total Pension Liability	6,333,669	-	6,333,669
Changes on Benefit Terms	-	-	-
Differences Between Expected & Actual Experience of the Total Pension Liability	(1,152,980)	-	(1,152,980)
Changes of Assumptions	2,691,334	-	2,691,334
Contributions – Employer	-	1,901,331	(1,901,331)
Contributions – Employees	-	694,890	(694,890)
Net Investment Income	-	(5,270,818)	5,270,818
Benefit Payments, including Refunds Of Employee Contributions	(3,725,120)	(3,725,120)	-
Other (Net Transfer)	-	1,237,593	(1,237,593)
Net Changes	<u>5,818,927</u>	<u>(5,162,124)</u>	<u>10,981,051</u>
Balances at December 31, 2018	<u>\$ 91,294,398</u>	<u>\$ 72,368,576</u>	<u>\$ 18,925,822</u>
ECO Plan	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A-B)
Balances at December 31, 2017	<u>\$ 17,546,512</u>	<u>\$ 16,450,197</u>	<u>\$ 1,096,315</u>
Changes for the year:			
Service Cost	95,059	-	95,059
Interest on the Total Pension Liability	1,276,425	-	1,276,425
Changes on Benefit Terms	-	-	-
Differences Between Expected & Actual Experience of the Total Pension Liability	(430,163)	-	(430,163)
Changes of Assumptions	448,691	-	448,691
Contributions – Employer	-	258,031	(258,031)
Contributions – Employees	-	41,366	(41,366)
Net Investment Income	-	(1,095,243)	1,095,243
Benefit Payments, including Refunds Of Employee Contributions	(1,150,079)	(1,150,079)	-
Other (Net Transfer)	-	49,260	(49,260)
Net Changes	<u>239,933</u>	<u>(1,896,665)</u>	<u>2,136,598</u>
Balances at December 31, 2018	<u>\$ 17,786,445</u>	<u>\$ 14,553,532</u>	<u>\$ 3,232,913</u>

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financial Statements

Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25% for Regular, SLEP, and ECO, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

Regular Plan	1% Lower 6.25%	Current Discount 7.25%	1% Higher 8.25%
Net Pension Liability(Asset)	<u>\$ 45,980,144</u>	<u>\$ 21,172,731</u>	<u>\$ 703,914</u>
SLEP Plan	1% Lower 6.25%	Current Discount 7.25%	1% Higher 8.25%
Net Pension Liability(Asset)	<u>\$ 31,153,108</u>	<u>\$ 18,925,822</u>	<u>\$ 8,896,227</u>
ECO Plan	1% Lower 6.25%	Current Discount 7.25%	1% Higher 8.25%
Net Pension Liability(Asset)	<u>\$ 5,252,186</u>	<u>\$ 3,232,913</u>	<u>\$ 1,551,829</u>

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2018, the County recognized pension expense of \$2,008,464, \$2,583,327, and \$(199,004) for Regular, SLEP and ECO, respectively. At December 31, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to future pensions from the following sources:

Regular Plan	Deferred Outflows of Resource	Deferred Inflows of Resources
Deferred Amounts Related to Pensions		
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ 49,303	\$ 1,847,961
Changes in assumptions	3,874,572	2,872,094
Net difference between projected and actual earnings on pension plan investments	13,009,392	-
Total Deferred Amounts to be recognized in pension expense in future periods	16,933,267	4,720,055
<i>Pension Contributions made subsequent to the the Measurement Date</i>	-	-
Total Deferred Amounts Related to Pensions	<u>\$ 16,933,267</u>	<u>\$ 4,720,055</u>
SLEP Plan	Deferred Outflows of Resource	Deferred Inflows of Resources
Deferred Amounts Related to Pensions		
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ 1,034,695	\$ 1,371,908
Changes in assumptions	2,345,943	630,801
Net difference between projected and actual earnings on pension plan investments	5,507,864	-
Total Deferred Amounts to be recognized in pension expense in future periods	8,888,502	2,002,709
<i>Pension Contributions made subsequent to the the Measurement Date</i>	-	-
Total Deferred Amounts Related to Pensions	<u>\$ 8,888,502</u>	<u>\$ 2,002,709</u>

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

ECO Plan	Deferred Outflows of Resource	Deferred Inflows of Resources
Deferred Amounts Related to Pensions		
<i>Deferred Amounts to be Recognized in Pension</i>		
<i>Expense in Future Periods</i>		
Differences between expected and actual experience	\$ -	\$ 8,314
Changes in assumptions	-	5,141
Net difference between projected and actual earnings on pension plan investments	1,055,732	-
Total Deferred Amounts to be recognized in pension expense in future periods	1,055,732	13,455
<i>Pension Contributions made subsequent to the the Measurement Date</i>	-	-
Total Deferred Amounts Related to Pensions	\$ 1,055,732	\$ 13,455

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31,	Net Deferred Outflows of Resources		
	Regular	SLEP	ECO
2019	\$ 3,311,568	\$ 2,148,722	\$ 332,421
2020	1,599,432	1,088,904	135,662
2021	1,977,650	1,191,358	114,404
2022	5,324,562	2,456,809	459,790
2023	-	-	-
Thereafter	-	-	-
	\$ 12,213,212	\$ 6,885,793	\$ 1,042,277

The allocation of amounts related to pensions is as follows:

	Primary Government	Component Unit
Deferred outflows	\$ 31,459,898	\$ 834,490
Net pension liabilities (asset)	42,275,308	1,056,158
Deferred inflows	11,829,416	323,692
Net pension expense adjustment	(903,393)	(79,604)

11. Post-employment Benefits other than Pension

Plan Description

In addition to providing the pension benefits described above, the County provides post-employment health care insurance benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, and employee and employer contributions are governed by the County and can be amended by the County through its personnel manual. All health care benefits are provided through the County's self-insured health plan.

The County established an irrevocable trust to fund future benefits in 2007. Currently administrative costs for the trust are minimal and paid by the OPEB Trust Fund. The current funding policy is to contribute the Actuarially Determined Contribution as calculated by the actuary. The plan does not issue a separate report. The activity of the fund is reported in the County's Post-Employment Benefits Trust fund, a fiduciary fund.

Benefits Provided

The County must provide health coverage to certain retired employees and their eligible dependents under the Municipal Employee's Continuation Privilege law. To be eligible, the retiree must retire from active service and be immediately eligible for an IMRF pension or disability benefit and covered by the County's health plan at retirement, or an IMRF SLEP (Sheriff Law Employment Personnel) participant who terminates employment with at least 20 years of SLEP credit and as reached 55 years of age. Participation is only allowed immediately after retirement and cannot be added at a later date. The benefits levels are the same as those afforded to active employees. The program becomes secondary to Medicare when the retiree or spouse reaches age 65. Premiums charged to retirees are at COBRA rates less a 2% administration fee as required by State statute. Premiums are withheld by IMRF from retirement pay or paid directly by former employees and paid directly to the County's Employee Medical Trust Fund, an internal service fund. Premiums and costs are included in the Internal Service Fund.

ST. CLAIR COUNTY, ILLINOIS

Notes to the Financials Statements

Plan totals below include amounts allocated to the component units: the Public Building Commission (blended) and the Intergovernmental Grants Department (discretely presented).

Employees Covered by Benefit Terms

As of December 31, 2018, the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	54
Active employees	736
	<u>790</u>

Contributions

Employer contributions are based on bi-annual actuarially determined amounts. The County Board authorizes the actual contribution as part of the annual budget process. Employees are not required to contribute to the plan. The 2018 calculated contribution of \$334,951 was paid in full.

Net OPEB Liability

The County's net OPEB liability was measured as of December 31, 2018. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018 with a measurement date of December 31, 2018 and includes the Public Building Commission and the Intergovernmental Grants Department.

Actuarial Assumptions

The following are the methods and assumptions used to determine total OPEB liability at December 31, 2018:

- The **Actuarial Cost Method** used was Entry Age Normal
- The **Asset Valuation Method** used was Market Value.
- The **Inflation Rate** was assumed to be 2.3%
- The **Investment Rate of Return** was assumed to be 5.25%.
- **Healthcare Cost Trend Rates used were** 5.7% for 2019, gradually decreasing to an ultimate rate of 3.9% for 2098 and beyond.
- **Mortality** rates were based on the RP-2014 Mortality for Employees, Healthy Annuitants, and Disabled Annuitants with generational projection per Scale MP-2018.
- The long-term expected **Rate of Return** on plan investments was determined by adding expected inflation to expected long-term real returns and reflection expected volatility and correlation. The capital market assumption are per Milliman's investment consulting practice as of December 31, 2018.

Asset Class	Portfolio Target Percentage	Long-term Expected Real Rate of Return
Broad US Equities	34.72%	4.96%
Developed Foreign Equities	14.21%	6.36%
US Government Bonds	41.72%	1.37%
Cash	8.97%	0.29%
Total	<u>100%</u>	

There were no benefit changes during the year.

Discount Rate

A Discount Rate of 5.25% was used to measure the total OPEB liability. The plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the plan's fiduciary net position is not projected to be sufficient.

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

Changes in Net OPEB Liability

Regular Plan	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A-B)
Balances at December 31, 2017	\$ 4,992,088	\$ 3,385,712	\$ 1,606,376
Changes for the year:			
Service Cost	155,877	-	155,877
Interest on the Total OPEB Liability	258,598	-	258,598
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	(721,947)	-	(721,947)
Effect of assumption changes or inputs	-	-	-
Changes of Assumptions	-	-	-
Contributions – Employer	-	334,951	(334,951)
Contributions – Members	-	-	-
Net Investment Income	-	(190,975)	190,975
Benefit Payments	(450,377)	-	(450,377)
Administrative expenses	-	-	-
Net Changes	(757,849)	143,976	(901,825)
Balances at December 31, 2018	\$ 4,234,239	\$ 3,529,688	\$ 704,551

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate

The following presents the plan's net OPEB liability, calculated using a Discount Rate of 5.25%, as well as what the plan's net OPEB liability would be if it were calculated using a Discount Rate that is 1% lower or 1% higher:

	1% Lower 4.25%	Current Discount 5.25%	1% Higher 6.25%
Net OPEB Liability/(Asset)	\$ 987,519	\$ 704,551	\$ 443,967

Sensitivity of the Net OPEB Liability to changes in the healthcare cost trend rates

The following presents the plan's net OPEB liability, calculated using the current healthcare cost trend rates as well as what the County's net OPEB liability would be if it were calculated using trend rates that are 1% lower or 1% higher than the current trend rates:

	1% Lower	Current Trend Rate	1% Higher
Net OPEB Liability	\$ 373,270	\$ 704,551	\$ 1,087,080

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

At December 31, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Amounts Related to OPEB	Deferred inflows of Resource	Deferred outflows of Resources
<i>Deferred Amounts to be Recognized in OPEB Expense in Future Periods</i>		
Differences between expected and actual experience	\$ (632,818)	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	(802)	297,275
Total Deferred Amounts to be recognized in OPEB expense in future periods	(633,620)	297,275
<i>OPEB Contributions made subsequent to the the Measurement Date</i>	-	-
Total Deferred Amounts Related to OPEB	\$ (633,620)	\$ 297,275

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future periods as follows:

Year Ending December 31,	
2019	\$ (15,077)
2020	(15,077)
2021	(15,078)
2022	(14,811)
2023	(89,129)
Thereafter	(187,173)
	<u>\$ (336,345)</u>

The allocation of amounts related to OPEB are as follows:

	Primary Government	Component Unit
Deferred outflows	\$ 285,889	\$ 11,386
Net OPEB liabilities	676,924	27,627
Deferred inflows	609,352	24,268
Net OPEB expense adjustment	(544,850)	(21,699)

12. Deferred compensation plan

The County offers its employees two deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all permanent County employees through the National Association of Counties (NACO) and Massachusetts Mutual, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency, at which time it is taxable to the employee or other beneficiary.

13. Discretely presented component units

The Intergovernmental Grants Department and the Flood Prevention District have been discretely presented in the government-wide statement of net assets and statement of activities. More detailed information for the programs during 2018 were as follows:

		<u>Program Revenues</u>			
		Charges for	Operating	Grants	Flood
		Services	Grants and	Department	Prevention
			Contributions		
		Expenses			
Grants Department					
Governmental activities					
Job programs	\$ 4,369,660	\$ 14	\$ 4,398,448	\$ 28,802	
Housing programs	5,369,054	269,826	4,860,299	(238,929)	
Energy programs	4,971,832	(230)	5,005,493	33,431	
Community programs	802,413	8,345	807,518	13,450	
Support services	(97,101)	-	-	97,101	
	<u>15,415,858</u>	<u>277,955</u>	<u>15,071,758</u>	<u>(66,145)</u>	
Flood Prevention					
Governmental activities					
Flood prevention	4,901,825	-	-		\$ (4,901,825)
	<u>\$20,317,683</u>	<u>\$ 277,955</u>	<u>\$ 15,071,758</u>		
General Revenue					
Sales Tax					
				-	5,547,610
General				14,159	-
Interest				6,261	238,316
				<u>(45,725)</u>	<u>884,101</u>
Changes in net position					
Net position - beginning of year				<u>1,477,585</u>	<u>14,215,542</u>
Net position - end of year				<u>\$ 1,431,860</u>	<u>\$ 15,099,643</u>

Various other grants not administered by the Intergovernmental Grants Department are included in the primary government.

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

14. MidAmerica St. Louis Airport

The MidAmerica St. Louis Airport project began as an expansion of Scott Air Force Base into a joint military and civilian use airport and constructed in accordance with the provisions of the Federal Airport Improvement Act. The County has financed its portion of construction from general tax revenues, bonds, and interest. In addition to bonds issued by the County, the Public Building Commission, who has been managing the airport on behalf of the County, issued additional bonds for construction and additional land acquisitions. The repayment of these obligations is included in the County's long-term lease agreements with the Public Building Commission and is being financed through the Lease Payable fund.

15. Related party

In addition to the lease arrangements, the Intergovernmental Grants Department and the Public Building Commission participate in the Tort and Medical Self-Insurance programs of the County including the unemployment insurance program. Reimbursements to the County for their portion of these programs were \$444,742 from the Grants Department and \$671,891 from the Public Building Commission.

At the end of 2018, the Public Building Commission loaned the Airport operations \$128,700 to purchase certain refueling equipment. The note, payable over 36 months, accrues interest at the rate of 1%. The remaining balance of \$86,228 has been eliminated as part of blending of the component unit into the business-type activities.

16. Pending litigation, contingencies, and commitments

St. Clair County has been named as defendant in a number of lawsuits pending at December 31, 2018. Claims, which have not advanced to the stage of litigation, have also been made against the County. In the opinion of the State's Attorney and outside legal counsel, settlement of these matters is not expected to result in an unfunded liability to the County.

The County has entered into numerous highway construction contracts as part of the Transportation Funds' continuing operations. Commitments for the 911 Emergency Telephone System have been previously discussed.

**REQUIRED SUPPLEMENTARY
INFORMATION**

ST. CLAIR COUNTY, ILLINOIS
Required Supplementary Information
Multi-year Schedule of Changes in Net Pension Liability and Related Ratios
December 31, 2018

Calendar year ending December 31,	ECO				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability					
Service Cost	\$ 95,059	\$ 170,547	\$ 213,658	\$ 246,152	\$ 255,895
Interest on the Total Pension Liability	1,276,425	1,317,064	1,362,069	1,327,985	1,241,715
Changes in Benefit Terms	-	-	-	-	-
Difference between Expected and Actual Experience of the Total Pension Liability	(430,163)	(516,796)	(1,077,166)	(101,307)	83,912
Changes of Assumptions	448,691	(319,561)	(19,477)	-	562,186
Benefit Payments, including Refunds of Employee Contributions	(1,150,079)	(1,160,635)	(1,003,058)	(999,989)	(929,870)
Net Change in Total Pension Liability	239,933	(509,381)	(523,974)	472,841	1,213,838
Total Pension Liability - Beginning	17,546,512	18,055,893	18,579,867	18,107,026	16,893,188
Total Pension Liability - Ending (A)	\$ 17,786,445	\$ 17,546,512	\$ 18,055,893	\$ 18,579,867	\$ 18,107,026
Plan Fiduciary Net Position					
Employer Contributions	\$ 258,031	\$ 315,487	\$ 502,594	\$ 476,127	\$ 461,780
Employee Contributions	41,366	55,330	65,652	67,611	75,212
Net Investment Income	(1,095,243)	2,820,427	1,003,709	73,854	871,032
Benefit Payments, including Refunds of Employee Contributions	(1,150,079)	(1,160,635)	(1,003,058)	(999,989)	(929,870)
Other (Net Transfer)	49,260	(1,110,543)	(111,970)	456,609	45,182
Net Change in Plan Fiduciary Net Position	(1,896,665)	920,066	456,927	74,212	523,336
Plan Fiduciary Net Position - Beginning	16,450,197	15,530,131	15,073,204	14,998,992	14,475,656
Plan Fiduciary Net Position - Ending (B)	\$ 14,553,532	\$ 16,450,197	\$ 15,530,131	\$ 15,073,204	\$ 14,998,992
Net Pension Liability/(Asset) - Ending (A) - (B)	\$ 3,232,913	\$ 1,096,315	\$ 2,525,762	\$ 3,506,663	\$ 3,108,034
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	81.82%	93.75%	86.01%	81.13%	82.84%
Covered Valuation Payroll	\$ 518,975	\$ 576,299	\$ 869,390	\$ 890,371	\$ 995,647
Net Pension Liability as a Percentage of Covered Valuation Payroll	622.94%	190.23%	290.52%	393.84%	312.16%

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

ST. CLAIR COUNTY, ILLINOIS
Required Supplementary Information
Multi-year Schedule of Changes in Net Pension Liability and Related Ratios
December 31, 2018

Calendar year ending December 31,	Regular				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability					
Service Cost	\$ 2,865,487	\$ 3,059,796	\$ 3,155,682	\$ 3,290,083	\$ 3,493,921
Interest on the Total Pension Liability	14,756,078	14,693,167	14,083,291	13,439,215	12,394,900
Changes in Benefit Terms	-	-	-	-	-
Difference between Expected and Actual Experience of the Total Pension Liability	(2,373,016)	(385,097)	287,641	516,342	(830,847)
Changes of Assumptions	5,486,559	(6,248,889)	(458,482)	445,229	6,446,777
Benefit Payments, including Refunds of Employee Contributions	(10,636,334)	(9,729,695)	(9,051,476)	(8,016,344)	(6,940,928)
Net Change in Total Pension Liability	10,098,774	1,389,282	8,016,656	9,674,525	14,563,823
Total Pension Liability - Beginning	200,633,126	199,243,844	191,227,188	181,552,663	166,988,840
Total Pension Liability - Ending (A)	\$ 210,731,900	\$ 200,633,126	\$ 199,243,844	\$ 191,227,188	\$ 181,552,663
Plan Fiduciary Net Position					
Employer Contributions	\$ 3,216,422	\$ 3,120,553	\$ 3,033,920	\$ 3,134,717	\$ 3,239,647
Employee Contributions	1,391,836	1,359,953	1,347,440	1,468,391	1,469,085
Net Investment Income	(11,434,050)	31,814,399	11,777,637	877,987	10,279,057
Benefit Payments, including Refunds of Employee Contributions	(10,636,334)	(9,729,695)	(9,051,476)	(8,016,344)	(6,940,928)
Other (Net Transfer)	2,981,129	(3,201,115)	702,710	(1,902,934)	(368,073)
Net Change in Plan Fiduciary Net Position	(14,480,997)	23,364,095	7,810,231	(4,438,183)	7,678,788
Plan Fiduciary Net Position - Beginning	204,040,166	180,676,071	172,865,840	177,304,023	169,625,235
Plan Fiduciary Net Position - Ending (B)	\$ 189,559,169	\$ 204,040,166	\$ 180,676,071	\$ 172,865,840	\$ 177,304,023
Net Pension Liability/(Asset) - Ending (A) - (B)	\$ 21,172,731	\$ (3,407,040)	\$ 18,567,773	\$ 18,361,348	\$ 4,248,640
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	89.95%	101.70%	90.68%	90.40%	97.66%
Covered Valuation Payroll	\$ 29,481,407	\$ 29,260,466	\$ 28,784,814	\$ 29,997,292	\$ 30,472,234
Net Pension Liability as a Percentage of Covered Valuation Payroll	71.82%	-11.64%	64.51%	61.21%	13.94%

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

ST. CLAIR COUNTY, ILLINOIS
Required Supplementary Information
Multi-year Schedule of Changes in Net Pension Liability and Related Ratios
December 31, 2018

Calendar year ending December 31,	SLEP				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability					
Service Cost	\$ 1,672,024	\$ 1,660,075	\$ 1,773,155	\$ 1,817,345	\$ 1,745,080
Interest on the Total Pension Liability	6,333,669	5,990,452	5,676,739	5,482,171	5,068,631
Changes in Benefit Terms	-	-	-	-	-
Difference between Expected and Actual Experience of the Total Pension Liability	(1,152,980)	1,360,308	241,025	(1,501,680)	501,338
Changes of Assumptions	2,691,334	(778,878)	(314,617)	202,867	1,094,927
Benefit Payments, including Refunds of Employee Contributions	(3,725,120)	(3,598,277)	(3,283,530)	(3,072,421)	(2,777,354)
Net Change in Total Pension Liability	5,818,927	4,633,680	4,092,772	2,928,282	5,632,622
Total Pension Liability - Beginning	85,475,471	80,841,791	76,749,019	73,820,737	68,188,115
Total Pension Liability - Ending (A)	\$ 91,294,398	\$ 85,475,471	\$ 80,841,791	\$ 76,749,019	\$ 73,820,737
Plan Fiduciary Net Position					
Employer Contributions	\$ 1,901,331	\$ 2,006,273	\$ 2,031,214	\$ 2,101,597	\$ 2,086,886
Employee Contributions	694,890	708,326	739,720	715,895	757,859
Net Investment Income	(5,270,818)	12,258,896	4,211,124	306,941	3,540,331
Benefit Payments, including Refunds of Employee Contributions	(3,725,120)	(3,598,277)	(3,283,530)	(3,072,421)	(2,777,354)
Other (Net Transfer)	1,237,593	(777,466)	2,666,358	(999,593)	(96,594)
Net Change in Plan Fiduciary Net Position	(5,162,124)	10,597,752	6,364,886	(947,581)	3,511,128
Plan Fiduciary Net Position - Beginning	77,530,700	66,932,948	60,568,062	61,515,643	58,004,515
Plan Fiduciary Net Position - Ending (B)	\$ 72,368,576	\$ 77,530,700	\$ 66,932,948	\$ 60,568,062	\$ 61,515,643
Net Pension Liability/(Asset) - Ending (A) - (B)	\$ 18,925,822	\$ 7,944,771	\$ 13,908,843	\$ 16,180,957	\$ 12,305,094
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	79.27%	90.71%	82.79%	78.92%	83.33%
Covered Valuation Payroll	\$ 8,998,255	\$ 9,198,864	\$ 9,092,277	\$ 9,436,894	\$ 9,370,839
Net Pension Liability as a Percentage of Covered Valuation Payroll	210.33%	86.37%	152.97%	171.46%	131.31%

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

ST. CLAIR COUNTY, ILLINOIS

Calendar year ending December 31,	2018	2017	2016	2015	2014
Actuarilly Determined Contribution	\$ 259,799	\$ 314,832	\$ 502,594	\$ 474,479	\$ 461,781
Actual Contribution	258,031	315,487	502,594	476,127	461,780
Contribution Deficiency (Excess)	1,768	(655)	-	(1,648)	1
Covered Valuation Payroll	518,975	576,299	869,390	890,371	995,647
Actual Contribution as a % of Covered Valuation Payroll	49.72%	54.74%	57.81%	53.48%	46.38%
Estimate based on:					
Contribution rate	50.06%	54.63%	57.81%	53.29%	47.00%
Covered valuation payroll	\$ 518,975	\$ 576,299	\$ 869,390	\$ 890,371	\$ 995,647
Calendar year ending December 31,	2018	2017	2016	2015	2014
Actuarilly Determined Contribution	\$ 3,216,422	\$ 3,125,018	\$ 3,033,919	\$ 3,134,717	\$ 3,300,142
Actual Contribution	3,216,422	3,120,553	3,033,920	3,134,717	3,239,647
Contribution Deficiency (Excess)	-	4,465	(1)	-	60,495
Covered Valuation Payroll	29,481,407	29,260,466	28,784,814	29,997,292	30,472,234
Actual Contribution as a % of Covered Valuation Payroll	10.91%	10.66%	10.54%	10.45%	10.63%
Estimate based on:					
Contribution rate	10.91%	10.68%	10.54%	10.45%	11.45%
Covered valuation payroll	\$ 29,481,407	\$ 29,260,466	\$ 28,784,814	\$ 29,997,292	\$ 30,472,234
Calendar year ending December 31,	2018	2017	2016	2015	2014
Actuarilly Determined Contribution	\$ 1,901,331	\$ 2,006,272	\$ 2,031,215	\$ 2,101,596	\$ 2,086,886
Actual Contribution	1,901,331	2,006,273	2,031,214	2,101,597	2,086,886
Contribution Deficiency (Excess)	-	(1)	1	(1)	-
Covered Valuation Payroll	8,998,255	9,198,864	9,092,277	9,436,894	9,370,839
Actual Contribution as a % of Covered Valuation Payroll	21.13%	21.81%	22.34%	22.27%	22.27%
Estimate based on:					
Contribution rate	21.13%	21.81%	22.34%	22.27%	22.89%
Covered valuation payroll	\$ 8,998,255	\$ 9,198,864	\$ 9,092,277	\$ 9,436,894	\$ 9,370,839

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ST CLAIR COUNTY, ILLINOIS
Required Supplementary Information
Notes to Net Pension Liability and Contribution Schedules
December 31, 2018

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2018 Contribution Rate*

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2018 Contribution Rates:

Actuarial Cost Method:	Aggregate Entry Age Normal
Amortization Method:	Level percentage of payroll, Closed
Remaining Amortization Period:	25-year closed period. Early Retirement Incentive Plan Liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 20 years for most employers.
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	3.50%
Price Inflation:	2.75%
Salary Increases:	3.75% to 14.50%, including inflation
Investment Rate of Return:	7.50%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.
Mortality:	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee mortality Table with adjustments to match current IMRF experience.
Other Information:	
Notes:	There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2016 actuarial valuation.

ST. CLAIR COUNTY, ILLINOIS
Required Supplementary Information
Multi-year Schedule of Changes in Net OPEB Liability and Related Ratios
December 31, 2018

Calendar year ending December 31,	<u>2018</u>	<u>2017</u>
Total OPEB Liability		
Service Cost	\$ 155,877	\$ 178,351
Interest on the total OPEB liability	258,598	260,177
Effect of plan changes	-	-
Effect of economic/demographic gains or losses	(721,947)	-
Effect of assumptions changes or inputs	-	-
Changes of Assumptions	-	-
Benefit Payments	(450,377)	(442,026)
Net Change in total OPEB liability	<u>(757,849)</u>	<u>(3,498)</u>
Total OPEB Liability - Beginning	<u>4,992,088</u>	<u>4,995,586</u>
Total OPEB Liability - Ending (A)	<u><u>\$ 4,234,239</u></u>	<u><u>\$ 4,992,088</u></u>
 Plan Fiduciary Net Position		
Employer Contributions	\$ 334,951	\$ 334,951
Employee Contributions	-	-
Net Investment Income	(190,975)	156,171
Benefit Payments, including Refunds of Employee Contributions	-	-
Other (Net Transfer)	-	-
Net Change in Plan Fiduciary Net Position	<u>143,976</u>	<u>491,122</u>
Plan Fiduciary Net Position - Beginning	<u>3,385,712</u>	<u>2,894,590</u>
Plan Fiduciary Net Position - Ending (B)	<u><u>\$ 3,529,688</u></u>	<u><u>\$ 3,385,712</u></u>
 Net OPEB Liability/(Asset) - Ending (A) - (B)	\$ 704,551	\$ 1,606,376
 Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	83.36%	67.82%
Covered Valuation Payroll	\$ 37,379,348	\$ 37,088,820
Net OPEB Liability as a Percentage of Covered Valuation Payroll	1.88%	4.33%

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

ST. CLAIR COUNTY, ILLINOIS
Required Supplementary Information
Schedule of Employer OPEB Contributions
December 31, 2018

Calendar year ending December 31,	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially Determined Contribution	\$ 334,951	\$ 334,951	\$ 172,918
Actual Contribution	334,951	334,951	172,918
Contribution Deficiency (Excess)	-	-	-
Covered Valuation Payroll	\$ 37,379,348	\$ 37,088,820	\$ 38,793,138
Actual Contribution as a % of Covered Valuation Payroll	0.90%	0.90%	0.45%

ST CLAIR COUNTY, ILLINOIS
Required Supplementary Information
Notes to Net OPEB Liability and Contribution Schedules
December 31, 2018

Summary of Actuarial Methods and Assumptions Used for Funding Policy

The employer pre-funds benefits through contributions to the trust. The current funding policy is to contribute the Actuarially Determined Contribution as calculated by the actuary. The Actuarially Determined Contribution is the sum of the current year's normal cost plus an amount necessary to amortize the unfunded liability over a layer 30 year period. the following actuarial methods and assumptions were used to calculate the 2018 Actuarially Determined Contribution.

Valuation Timing:

Notes Actuarial valuations for funding purposes are performed biennially as of December 31. The most recent valuation was performed as of December 31, 2018.

Methods and Assumptions Used to Determine 2018 Contribution Rates:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level dollar, Layered periods
Remaining Amortization Period:	30-years at December 31, 2018
Asset Valuation Method:	Market Value
Price Inflation:	2.30%
Salary Increases:	N/A
Discount Rate	5.25%
Healthcare Cost Trend Rates	5.7% for 2019, gradually decreasing to an ultimate rate of 3.9% for 2098 and beyond.
Mortality:	RP-2014 Mortality for Employees, Healthy Annuitants, and Disabled Annuitants with generational projection per Scale MP-2018.

Other Information:

Notes: There were no significant changes between the valuation date and the fiscal year end.

*Based on the Valuation Date of December 31, 2018 (date as of which the actuarial valuation is performed). The Measurement Date of December 31, 2018 is the date as of which the net OPEB liability is determined. The Reporting Date is December 31, 2018 and is the employer's fiscal year ending date.

ST. CLAIR COUNTY, ILLINOIS
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget to Actual
General Fund
For the year ended December 31, 2018

	Budgeted Amounts		Budgetary Basis	Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	\$ 12,038,206	\$ 12,038,206	\$ 12,157,547	\$ 119,341
State income tax	5,525,000	5,525,000	5,235,722	(289,278)
Personal property replacement tax	2,200,000	2,200,000	2,373,078	173,078
Sales tax	9,650,000	9,650,000	10,143,688	493,688
Other taxes	200,000	200,000	227,546	27,546
Revenue from federal/state agencies	1,289,165	1,289,165	1,133,802	(155,363)
Revenue from local agencies	95,500	95,500	182,105	86,605
Licenses, permits, fines, fees and services	14,683,882	16,339,228	15,341,103	(998,125)
Earnings on investments	190,270	190,270	262,730	72,460
Miscellaneous revenues	168,000	168,000	342,131	174,131
	<u>46,040,023</u>	<u>47,695,369</u>	<u>47,399,452</u>	<u>(295,917)</u>
EXPENDITURES				
General government	31,317,884	31,491,308	22,554,735	(8,936,573)
Public safety	17,592,208	18,654,134	17,685,119	(969,015)
Judicial	4,944,905	4,868,787	4,750,430	(118,357)
Public health	18,000	18,000	28,672	10,672
	<u>53,872,997</u>	<u>55,032,229</u>	<u>45,018,956</u>	<u>(10,013,273)</u>
Excess of revenues over (under) expenditures	<u>(7,832,974)</u>	<u>(7,336,860)</u>	<u>2,380,496</u>	<u>9,717,356</u>
Other financing sources (uses):				
Operating transfers-in	100,000	100,000	120,820	20,820
Operating transfers-out	<u>(1,963,471)</u>	<u>(1,963,471)</u>	<u>(11,444,430)</u>	<u>(9,480,959)</u>
Total other financing sources (uses)	<u>(1,863,471)</u>	<u>(1,863,471)</u>	<u>(11,323,610)</u>	<u>(9,460,139)</u>
Net changes in fund balances	<u>\$ (9,696,445)</u>	<u>\$ (9,200,331)</u>	<u>(8,943,114)</u>	<u>\$ 257,217</u>
Reconciliation of budgetary basis to government fund statement of changes in fund balance:				
Effect of unrecorded assets			2,465,058	
Effect of market value adjustment on investments			438,812	
Effect of unrecorded liabilities			(1,146,595)	
Effect of unrecorded deferred inflows			(1,829,253)	
Effect of due to/from other funds			1,718,437	
Beginning fund balances			<u>30,798,586</u>	
Ending fund balances			<u>\$ 23,501,931</u>	

ST. CLAIR COUNTY, ILLINOIS
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget to Actual
Transportation Fund
For the year ended December 31, 2018

	Budgeted Amounts		Budgetary Basis	Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	\$ 4,668,023	\$ 4,668,023	\$ 4,894,899	\$ 226,876
Motor fuel tax	4,100,000	4,100,000	5,046,616	946,616
Revenue from federal/state agencies	1,836,247	1,836,247	1,134,636	(701,611)
Revenue from local agencies	170,333	170,333	2,917,028	2,746,695
Licenses, permits, fines, fees and services	873,600	873,600	44,433	(829,167)
Earnings on investments	255,760	255,760	395,937	140,177
Miscellaneous revenues	10,050	10,050	14,848	4,798
	<u>11,914,013</u>	<u>11,914,013</u>	<u>14,448,397</u>	<u>2,534,384</u>
EXPENDITURES				
Transportation	<u>26,164,933</u>	<u>29,094,884</u>	<u>8,689,559</u>	<u>(20,405,325)</u>
	<u>26,164,933</u>	<u>29,094,884</u>	<u>8,689,559</u>	<u>(20,405,325)</u>
Excess of revenues over (under) expenditures	<u>(14,250,920)</u>	<u>(17,180,871)</u>	<u>5,758,838</u>	<u>22,939,709</u>
Other financing sources (uses):				
Operating transfers-out	<u>(1,978,407)</u>	<u>(1,978,407)</u>	<u>(1,978,406)</u>	<u>1</u>
Total other financing sources (uses)	<u>(1,978,407)</u>	<u>(1,978,407)</u>	<u>(1,978,406)</u>	<u>1</u>
Net changes in fund balances	<u>\$ (16,229,327)</u>	<u>\$ (19,159,278)</u>	<u>3,780,432</u>	<u>\$ 22,939,710</u>
Reconciliation of budgetary basis to government fund statement of changes in fund balance:				
Effect of unrecorded assets			21,628	
Effect of market value adjustment on investments			165,182	
Effect of unrecorded liabilities			(831,436)	
Effect of unrecorded deferred inflows			(303,020)	
Effect of due to/from other funds			1,819	
Beginning fund balances			<u>37,682,147</u>	
Ending fund balances			<u>\$ 40,516,752</u>	

ST. CLAIR COUNTY, ILLINOIS
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget to Actual
Lease Payable Fund
For the year ended December 31, 2018

	Budgeted Amounts		Budgetary Basis	Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	\$ 12,094,494	\$ 12,094,494	\$ 12,136,326	\$ 41,832
Revenue from local agencies	-	-	17,324	17,324
Earnings on investments	3,500	3,500	33,135	29,635
	<u>12,097,994</u>	<u>12,097,994</u>	<u>12,186,785</u>	<u>88,791</u>
EXPENDITURES				
General government	<u>12,057,708</u>	<u>12,057,708</u>	<u>12,028,294</u>	<u>(29,414)</u>
	<u>12,057,708</u>	<u>12,057,708</u>	<u>12,028,294</u>	<u>(29,414)</u>
Net changes in fund balances	<u>\$ 40,286</u>	<u>\$ 40,286</u>	158,491	<u>\$ 118,205</u>
Reconciliation of budgetary basis to government fund statement of changes in fund balance:				
Effect of unrecorded assets			(1,572,052)	
Effect of market value adjustment on investments			1,711	
Effect of unrecorded deferred inflows			1,585,305	
Beginning fund balances			<u>589,741</u>	
Ending fund balances			<u>\$ 763,196</u>	

See notes to the financial statements and
independent auditors' report.

ST. CLAIR COUNTY, ILLINOIS
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget to Actual
Debt Service Fund
For the year ended December 31, 2018

	Budgeted Amounts		Budgetary Basis	Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Earnings on investments	110,100	110,100	126,484	16,384
	<u>110,100</u>	<u>110,100</u>	<u>126,484</u>	<u>16,384</u>
EXPENDITURES				
Debt service	<u>5,767,533</u>	<u>5,767,533</u>	<u>5,765,531</u>	<u>(2,002)</u>
	<u>5,767,533</u>	<u>5,767,533</u>	<u>5,765,531</u>	<u>(2,002)</u>
Excess of revenues over (under) expenditures	<u>(5,657,433)</u>	<u>(5,657,433)</u>	<u>(5,639,047)</u>	<u>18,386</u>
Other financing sources (uses):				
Operating transfers-in	<u>1,978,407</u>	<u>1,978,407</u>	<u>13,233,150</u>	<u>11,254,743</u>
Total other financing sources (uses)	<u>1,978,407</u>	<u>1,978,407</u>	<u>13,233,150</u>	<u>11,254,743</u>
Net changes in fund balances	<u>\$ (3,679,026)</u>	<u>\$ (3,679,026)</u>	7,594,103	<u>\$ 11,273,129</u>
Reconciliation of budgetary basis to government fund statement of changes in fund balance:				
Effect of unrecorded assets			11,217	
Effect of market value adjustment on investments			51,507	
Beginning fund balances			<u>13,021,494</u>	
Ending fund balances			<u>\$ 20,678,321</u>	

ST. CLAIR COUNTY, ILLINOIS
Notes to Other Required Supplementary Information
December 31, 2018

Major Funds

The General Fund, Transportation Fund, and Debt Service Fund are comprised of various fund accounts that provide additional control and information about specific resources and expenditures of these funds. The Lease Payable Fund has only one set of accounts. More detailed schedules of the General Fund, Transportation Fund, and Debt Service Fund have been provided.

Nonmajor Funds

Nonmajor governmental funds consist of the special revenue funds, except for the Transportation and Lease Payable Funds. Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. Schedules have been provided for all nonmajor special revenue funds for purposes of additional analysis in the combining and individual funds statements and schedules.

Budgetary Information

The County prepares an annual operating budget for revenues and expenditures on the cash basis. The County Board approves the budget. Appropriations are made on a detailed line-item basis and lapse at year-end. Any adjustments to the budget or transfers between funds require County Board approval. The General Fund, special revenue funds, the enterprise fund and Debt Service Fund are budgeted with exceptions given for grant related funds. Agency funds, and the internal service funds are included in the budgetary process for purposes of estimation rather than budgetary control.

Budgets are for the calendar year and include various Highway funds that are budgeted by project, although they lapse at year-end and require re-appropriation in the ensuing year. Budgets for the enterprise fund and grant funds are flexible and are generally dependent on funding sources and opportunities.

Encumbrances are defined as commitments related to unperformed contracts for goods and services that may be charged against an appropriation in the period of the commitment. The appropriated funds utilize encumbrance accounting. However, appropriations and encumbrances lapse at year-end and, therefore, there is no reserve for encumbered balances.

**ADDITIONAL ANALYSIS -
COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheet - All General Fund Accounts
December 31, 2018

ASSETS

	General County	General County Escrow	Working Cash	Personal Property Replacement Tax	Geographic Information System	Pari- Mutuel	Tort Liability
Cash	\$ 1,013,491	\$ 2,247	\$ -	\$ -	\$ -	\$ -	\$ 41,504
Equity in cash and investment pool	2,553,446	341,464	1,238,872	4,565,898	495,378	538,676	1,335,487
Accounts receivable	3,374,615	-	-	289,944	50	19,643	68,097
Taxes receivable	9,034,463	-	-	-	-	-	4,842,472
Interest receivable	30,351	631	2,354	-	948	-	1,983
Internal balances	7,437,179	-	-	700,000	-	-	2,136
Inventory	138,255	-	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	-	562,408
Total assets	\$ 23,581,800	\$ 344,342	\$ 1,241,226	\$ 5,555,842	\$ 496,376	\$ 558,319	\$ 6,854,087

LIABILITIES

Liabilities							
Accounts payable	\$ 382,408	\$ -	\$ -	\$ -	\$ 919	\$ -	\$ 154,693
Accrued salaries	1,616,984	-	-	-	12,811	-	13,769
Internal balances	-	-	-	-	-	-	31,307
Funds held in escrow	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	1,811,297
Total liabilities	1,999,392	-	-	-	13,730	-	2,011,066

DEFERRED INFLOWS OF RESOURCES

Deferred taxes and related fees	9,877,210	-	-	-	-	-	4,842,472
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FUND BALANCE

Nonspendable	138,255	-	-	-	-	-	562,408
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	458,330	163,366	-
Assigned	-	-	1,241,226	-	24,316	394,953	-
Unassigned	11,566,943	344,342	-	5,555,842	-	-	(561,859)
Total fund balance	11,705,198	344,342	1,241,226	5,555,842	482,646	558,319	549
Total liabilities, deferred inflows of resources and fund balance	\$ 23,581,800	\$ 344,342	\$ 1,241,226	\$ 5,555,842	\$ 496,376	\$ 558,319	\$ 6,854,087

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheet - All General Fund Accounts
December 31, 2018

ASSETS

	Capital Replacement	MetroLink Security	Dispatching Services	State's Attorney Programs	Payroll Escrow	Pool	Total General Fund
Cash	\$ -	\$ -	\$ -	\$ -	-	\$ 483,209	\$ 1,540,451
Equity in cash and investment pool	1,804,355	77,026	-	182,757	851,850	(428,977)	13,556,232
Accounts receivable	-	254,468	308,593	1,000	-	-	4,316,410
Taxes receivable	-	-	-	-	-	-	13,876,935
Interest receivable	4,966	-	-	363	1,606	-	43,202
Internal balances	3,385,303	7,851	(1,212,808)	-	(446,431)	(91)	9,873,139
Inventory	-	-	-	-	-	-	138,255
Prepaid expenditures	-	-	-	-	-	-	562,408
Total assets	\$ 5,194,624	\$ 339,345	\$ (904,215)	\$ 184,120	\$ 407,025	\$ 54,141	\$ 43,907,032

LIABILITIES

Liabilities	\$ -	\$ -	\$ -	\$ 286	-	\$ -	\$ 538,306
Accounts payable	-	-	-	5,908	-	-	1,910,604
Accrued salaries	-	152,443	108,689	-	-	-	1,379,007
Internal balances	854,925	75,757	2,057	-	407,025	7,936	46,205
Funds held in escrow	-	-	-	-	-	46,205	1,811,297
Other liabilities	-	-	-	-	-	-	5,685,419
Total liabilities	854,925	228,200	110,746	6,194	407,025	54,141	14,719,682

DEFERRED INFLOWS OF RESOURCES

Deferred taxes and related fees	-	-	-	-	-	-	-
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FUND BALANCE

Nonspendable	-	-	-	-	-	-	700,663
Restricted	-	111,145	-	-	-	-	111,145
Committed	4,339,699	-	-	177,926	-	-	5,139,321
Assigned	-	-	-	-	-	-	1,660,495
Unassigned	-	-	(1,014,961)	-	-	-	15,890,307
Total fund balance	4,339,699	111,145	(1,014,961)	177,926	-	-	23,501,931

Total liabilities, deferred inflows of resources and fund balance

	\$ 5,194,624	\$ 339,345	\$ (904,215)	\$ 184,120	\$ 407,025	\$ 54,141	\$ 43,907,032
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ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
All General Fund Accounts
For the year ended December 31, 2018

	General County	General County Escrow	Working Cash	Personal Property Replacement Tax	Geographic Information System	Pari- Mutuel	Tort Liability
REVENUES							
Property taxes	\$ 8,718,757	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,438,790
State income tax	5,273,869	-	-	-	-	-	-
Personal property replacement tax	-	-	-	2,393,218	-	-	-
Sales tax	10,249,156	-	-	-	-	-	-
Other taxes	-	-	-	-	-	228,505	-
Revenue from federal/state agencies	899,912	-	-	-	-	-	-
Revenue from local agencies	-	-	-	-	-	-	-
Licenses, permits, fines, fees and services	-	-	-	-	-	-	35,516
Earnings on investments	11,255,934	33,414	-	-	319,131	8,634	-
Miscellaneous revenues	272,916	(12,868)	19,170	59,374	8,177	1,693	12,197
	343,540	-	-	-	-	-	12
	<u>37,014,084</u>	<u>20,546</u>	<u>19,170</u>	<u>2,452,592</u>	<u>327,308</u>	<u>238,832</u>	<u>3,486,515</u>
EXPENDITURES							
General government	15,858,893	-	-	-	393,163	144,570	3,844,943
Public safety	13,677,225	-	-	-	-	-	-
Judicial	4,605,114	-	-	-	-	-	-
Public Health	28,672	-	-	-	-	-	-
	<u>34,169,904</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>393,163</u>	<u>144,570</u>	<u>3,844,943</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,844,180</u>	<u>20,546</u>	<u>19,170</u>	<u>2,452,592</u>	<u>(65,855)</u>	<u>94,262</u>	<u>(358,428)</u>
Other financing sources (uses)							
Operating transfers-in	120,820	-	-	-	-	-	-
Operating transfers-out	(1,366,682)	-	-	(10,351,216)	-	-	(479,415)
Intra fund transfers (net)	-	-	-	(100,000)	-	-	-
Total other financing sources (uses)	<u>(1,245,862)</u>	<u>-</u>	<u>-</u>	<u>(10,451,216)</u>	<u>-</u>	<u>-</u>	<u>(479,415)</u>
Net changes in fund balances	1,598,318	20,546	19,170	(7,998,624)	(65,855)	94,262	(837,843)
Beginning fund balances	10,106,880	323,796	1,222,056	13,554,466	548,501	464,057	838,392
Ending fund balances	<u>\$ 11,705,198</u>	<u>\$ 344,342</u>	<u>\$ 1,241,226</u>	<u>\$ 5,555,842</u>	<u>\$ 482,646</u>	<u>\$ 558,319</u>	<u>\$ 549</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
All General Fund Accounts
For the year ended December 31, 2018

	Capital Replacement	MetroLink Security	Dispatching Services	State's Attorney Programs	Payroll Escrow	Pool	Total General Fund
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	-	-	\$ 12,157,547
State income tax	-	-	-	-	-	-	5,273,869
Personal property replacement tax	-	-	-	-	-	-	2,393,218
Sales tax	-	-	-	-	-	-	10,249,156
Other taxes	-	-	-	-	-	-	228,505
Revenue from federal/state agencies	-	-	-	-	-	-	899,912
Revenue from local agencies	-	-	-	-	-	-	36,516
Licenses, permits, fines, fees and services	-	1,558,954	2,373,129	29,798	-	-	15,578,994
Earnings on investments	11,714	1,260	(2,307)	2,886	-	-	374,212
Miscellaneous revenues	-	28	-	277,966	-	-	621,546
	<u>11,714</u>	<u>1,560,242</u>	<u>2,370,822</u>	<u>310,650</u>	<u>-</u>	<u>-</u>	<u>47,812,475</u>
EXPENDITURES							
General government	2	-	-	-	-	-	20,241,571
Public safety	-	1,600,601	2,561,337	-	-	-	17,839,163
Judicial	-	-	-	218,370	-	-	4,823,484
Public Health	-	-	-	-	-	-	28,672
	<u>2</u>	<u>1,600,601</u>	<u>2,561,337</u>	<u>218,370</u>	<u>-</u>	<u>-</u>	<u>42,932,890</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,712</u>	<u>(40,359)</u>	<u>(190,515)</u>	<u>92,280</u>	<u>-</u>	<u>-</u>	<u>4,879,585</u>
Other financing sources (uses)							
Operating transfers-in	-	-	-	-	-	-	120,820
Operating transfers-out	(99,747)	-	-	-	-	-	(12,297,060)
Intra fund transfers (net)	100,000	-	-	-	-	-	-
Total other financing sources (uses)	<u>253</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,176,240)</u>
Net changes in fund balances	<u>11,965</u>	<u>(40,359)</u>	<u>(190,515)</u>	<u>92,280</u>	<u>-</u>	<u>-</u>	<u>(7,296,655)</u>
Beginning fund balances	<u>4,327,734</u>	<u>151,504</u>	<u>(824,446)</u>	<u>85,646</u>	<u>-</u>	<u>-</u>	<u>30,798,586</u>
Ending fund balances	<u>\$ 4,339,699</u>	<u>\$ 111,145</u>	<u>\$ (1,014,961)</u>	<u>\$ 177,926</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,501,931</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheet
Transportation Fund Accounts
December 31, 2018

	County Highway	County Bridge	Matching Tax	Motor Fuel Tax	Highway Special Projects	Highway Equipment Trust	Township Motor Fuel Tax	Township Bridge	Highway Payroll	Total Transportation Fund
ASSETS										
Cash	\$ 4,288	\$ 110	\$ 1,360	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,758
Equity in cash and investment pool	1,854,501	7,293,435	3,226,587	5,283,112	24,397,299	141,490	1,730,151	-	-	43,926,575
Accounts receivable	7,705	-	-	290,470	414,916	-	67,603	-	-	780,694
Taxes receivable	3,613,785	108,414	1,445,514	-	-	-	-	-	-	5,167,713
Interest receivable	2,499	13,994	4,445	9,833	45,448	157	3,155	-	-	79,531
Internal balances	16,357	33,197	(2,739)	(33,114)	(854)	(3,608)	(23,998)	-	134,573	119,814
Inventory	-	-	-	125,973	-	-	-	-	-	125,973
Total assets	\$ 5,499,135	\$ 7,449,150	\$ 4,675,167	\$ 5,676,274	\$ 24,856,809	\$ 138,039	\$ 1,776,911	\$ -	\$ 134,573	\$ 50,206,058
LIABILITIES										
Accounts payable	\$ 111,186	\$ 1,023,130	\$ 1,827,066	\$ 42,369	\$ 605,853	\$ 28,000	\$ 66,025	\$ -	\$ -	\$ 3,703,629
Accrued salaries	-	-	-	-	-	-	-	-	134,573	134,573
Internal balances	250,269	-	-	42,201	-	(42,200)	-	-	-	250,270
Unearned income	-	-	-	-	433,121	-	-	-	-	433,121
Total liabilities	361,455	1,023,130	1,827,066	84,570	605,853	(14,200)	66,025	-	134,573	4,521,593
DEFERRED INFLOWS OF RESOURCES										
Deferred taxes and related fees	3,613,785	108,414	1,445,514	-	-	-	-	-	-	5,167,713
FUND BALANCE										
Nonspendable	-	-	-	125,973	-	-	-	-	-	125,973
Restricted	1,523,895	6,317,606	1,402,587	5,485,731	24,250,956	152,239	1,710,886	-	-	40,390,779
	1,523,895	6,317,606	1,402,587	5,591,704	24,250,956	152,239	1,710,886	-	-	40,516,752
Total liabilities, deferred inflows of resources and fund balance	\$ 5,499,135	\$ 7,449,150	\$ 4,675,167	\$ 5,676,274	\$ 24,856,809	\$ 138,039	\$ 1,776,911	\$ -	\$ 134,573	\$ 50,206,058

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Transportation Fund Accounts
For the year ended December 31, 2018

	County Highway	County Bridge	Matching Tax	Motor Fuel Tax	Highway Special Projects	Highway Equipment Trust	Township Motor Fuel Tax	Township Bridge	Highway Payroll	Total Transportation Fund
REVENUES										
Property taxes	\$ 3,524,996	\$ 103,732	\$ 1,266,171	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,894,899
Motor fuel tax	-	-	-	4,097,902	-	-	802,888	-	-	4,900,790
Revenue from federal/state agencies	18,545	266,606	-	-	688,469	-	-	-	-	973,620
Revenue from local agencies	143	-	549,149	-	1,456,937	785,962	-	-	-	2,792,191
Licenses, permits, fines, fees and services	37,952	-	57,705	16,071	-	11,278	-	-	-	123,006
Earnings on investments	6,919	116,881	21,736	74,033	358,111	592	25,759	-	-	604,031
Miscellaneous revenues	-	-	-	-	-	-	450	-	-	450
	<u>3,588,555</u>	<u>487,219</u>	<u>1,894,761</u>	<u>4,188,006</u>	<u>2,503,517</u>	<u>797,832</u>	<u>829,097</u>	<u>-</u>	<u>-</u>	<u>14,288,987</u>
EXPENDITURES										
Transportation	2,103,727	350,265	1,156,007	2,452,452	1,834,805	691,170	887,549	-	-	9,475,975
	<u>2,103,727</u>	<u>350,265</u>	<u>1,156,007</u>	<u>2,452,452</u>	<u>1,834,805</u>	<u>691,170</u>	<u>887,549</u>	<u>-</u>	<u>-</u>	<u>9,475,975</u>
Excess of revenues over (under) expenditures	<u>1,484,828</u>	<u>136,954</u>	<u>738,754</u>	<u>1,735,554</u>	<u>668,712</u>	<u>106,662</u>	<u>(58,452)</u>	<u>-</u>	<u>-</u>	<u>4,813,012</u>
Other financing sources (uses)										
Operating transfers-out	(237,409)	-	(257,193)	(1,483,805)	-	-	285,526	-	-	(1,978,407)
Intra fund transfers (net)	18,464	-	(303,990)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(218,945)</u>	<u>-</u>	<u>(561,183)</u>	<u>(1,483,805)</u>	<u>-</u>	<u>-</u>	<u>285,526</u>	<u>-</u>	<u>-</u>	<u>(1,978,407)</u>
Net changes in fund balances	1,265,883	136,954	177,571	251,749	668,712	106,662	227,074	-	-	2,834,605
Beginning fund balances	<u>258,012</u>	<u>6,180,652</u>	<u>1,225,016</u>	<u>5,339,955</u>	<u>23,149,123</u>	<u>45,577</u>	<u>1,483,812</u>	<u>-</u>	<u>-</u>	<u>37,682,147</u>
Ending fund balances	<u>\$ 1,523,895</u>	<u>\$ 6,317,606</u>	<u>\$ 1,402,587</u>	<u>\$ 5,591,704</u>	<u>\$ 23,817,835</u>	<u>\$ 152,239</u>	<u>\$ 1,710,886</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,516,752</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheets - All Nonmajor Governmental Funds
December 31, 2018

ASSETS										
	Social Security	Retirement Fund	Sale and Error	Indemnity	Recorder's Office Escrow	Trustee Demolition Fund	Metro-East Park & Recreation	Veteran's Assistance	General Grants	
Cash	\$ 1,962	\$ 4,174	\$ 10,140	\$ 4,400	\$ -	\$ -	\$ -	\$ 405	\$ 25	
Equity in cash and investment pool	4,049,234	5,046,547	408,630	999,590	602,507	3,800,668	4,998,599	533,359	296,209	
Accounts receivable	9,472	13,509	119,401	49,674	100	809,885	187,419	-	11,692	
Taxes receivable	2,236,933	4,011,302	-	-	-	-	-	386,675	-	
Interest receivable	7,537	7,860	526	-	1,277	6,658	10,858	847	-	
Internal balances	-	1,041	-	-	-	-	-	5,213	-	
Inventory	-	-	-	-	-	-	-	-	-	
Prepaid expenditures	-	-	-	-	-	-	-	-	-	
Total assets	\$ 6,305,138	\$ 9,084,433	\$ 538,697	\$ 1,053,664	\$ 603,884	\$ 4,617,211	\$ 5,196,876	\$ 926,499	\$ 307,926	
LIABILITIES										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 3,795	\$ 190,450	\$ 190,708	\$ 1,007	\$ 3,227	
Accrued salaries	-	-	-	-	12,184	-	5,848	8,406	-	
Accrued payroll related costs	205,443	397,872	-	-	-	-	-	-	-	
Internal balances	-	-	-	-	16,226	-	137,243	7,375	299,999	
Unearned income	-	-	-	-	-	-	-	-	4,660	
Total liabilities	205,443	397,872	-	-	32,205	190,450	333,799	16,788	307,886	
DEFERRED INFLOWS OF RESOURCES										
Deferred taxes and related fees	2,236,933	4,011,302	119,401	49,674	-	809,885	-	386,675	-	
FUND BALANCES										
Nonspendable	-	-	-	-	-	-	-	-	-	
Restricted	3,862,762	4,675,259	419,296	1,003,990	571,679	3,616,876	4,863,077	523,036	40	
Unassigned	-	-	-	-	-	-	-	-	-	
Total fund balance	3,862,762	4,675,259	419,296	1,003,990	571,679	3,616,876	4,863,077	523,036	40	
Total liabilities, deferred inflows of resources and fund balance	\$ 6,305,138	\$ 9,084,433	\$ 538,697	\$ 1,053,664	\$ 603,884	\$ 4,617,211	\$ 5,196,876	\$ 926,499	\$ 307,926	

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheets - All Nonmajor Governmental Funds
December 31, 2018

	East Side Youth Violence Prevention	County Health	Landfill Surcharge	Mental Health	Mental Health Grants	Civil Defense Emergency	Emergency Telephone System	Pet Population	Court Services Accounts		
									Automation	Document Storage	
ASSETS											
Cash	\$ -	\$ 979	\$ -	\$ 2,511	\$ -	\$ -	\$ 502	\$ -	\$ 33,427	\$ 32,352	
Equity in cash and investment pool	652	3,390,545	79,427	1,805,671	507	404,773	1,906,961	-	2,373,474	2,359,825	
Accounts receivable	100	1,406,919	104,753	-	42,429	-	592,040	-	8	-	
Taxes receivable	-	599,888	-	2,395,940	-	-	-	-	-	-	
Interest receivable	5	6,789	393	2,956	23	769	2,543	42	4,111	4,340	
Internal balances	-	101,210	99,702	12,582	-	-	866,717	-	44,139	36,143	
Inventory	-	4,719	-	-	-	-	-	-	-	-	
Prepaid expenditures	-	20,781	-	-	-	-	487,464	-	-	-	
Total assets	\$ 757	\$ 5,531,830	\$ 284,275	\$ 4,219,660	\$ 42,959	\$ 405,542	\$ 3,856,227	\$ 42	\$ 2,455,159	\$ 2,432,660	
LIABILITIES											
Accounts payable	\$ -	\$ 204,175	\$ 5,976	\$ 157,293	\$ 42,143	\$ -	\$ 17,311	\$ 1,411	\$ 3,693	\$ 1,048	
Accrued salaries	753	148,016	4,164	10,395	793	-	23,858	4,092	21,157	34,637	
Accrued payroll related costs	-	-	-	-	-	-	-	-	-	-	
Internal balances	-	3,142	5,124	-	-	-	36,862	19,279	-	-	
Unearned income	-	143,170	-	-	-	-	-	-	-	-	
Total liabilities	753	498,503	15,264	167,688	42,936	-	78,031	24,782	24,850	35,685	
DEFERRED INFLOWS OF RESOURCES											
Deferred taxes and related fees	-	599,888	-	2,395,940	-	-	-	-	-	-	
FUND BALANCES											
Nonspendable	-	25,500	-	-	-	-	487,464	-	-	-	
Restricted	4	4,407,939	269,011	1,656,032	23	405,542	3,290,732	-	2,430,309	2,396,975	
Unassigned	-	-	-	-	-	-	-	(24,740)	-	-	
Total fund balance	4	4,433,439	269,011	1,656,032	23	405,542	3,778,196	(24,740)	2,430,309	2,396,975	
Total liabilities, deferred inflows of resources and fund balance	\$ 757	\$ 5,531,830	\$ 284,275	\$ 4,219,660	\$ 42,959	\$ 405,542	\$ 3,856,227	\$ 42	\$ 2,455,159	\$ 2,432,660	

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheets - All Nonmajor Governmental Funds
December 31, 2018

	Court Services Accounts (continued)										State's Attorney Title IV-D BSCE	CASA
	Electronic Citation	Circuit Clerk Title IV-D BSCE	Maintenance/ Child Support Collection	Foreclosure Mediation	Custody Exchange	Law Library	Bailiff	Total Court Services				
ASSETS												
Cash	\$ 3,806	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,736	\$ 90,321	\$ -	-	\$ 1,065	
Equity in cash and investment pool	556,385	-	586,940	275,261	32,098	231,259	89,886	6,505,128	54,793	-	464	
Accounts receivable	-	24,822	-	-	-	-	-	24,830	241,573	-	-	
Taxes receivable	-	-	-	-	-	-	-	-	-	-	-	
Interest receivable	1,081	-	1,213	600	57	356	142	11,900	-	-	12	
Internal balances	-	-	263	-	-	1,428	22,815	104,788	-	-	-	
Inventory	-	-	-	-	-	-	-	-	-	-	-	
Prepaid expenditures	-	-	-	-	-	-	-	-	-	-	-	
Total assets	\$ 561,272	\$ 24,822	\$ 588,416	\$ 275,861	\$ 32,155	\$ 233,043	\$ 133,579	\$ 6,736,967	\$ 296,366	\$ 1,541		
LIABILITIES												
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 32,111	\$ 4,541	\$ 614	\$ 42,007	\$ 123	\$ -		
Accrued salaries	-	6,820	1,604	-	-	1,965	40,263	106,446	23,826	-		
Accrued payroll related costs	-	-	-	-	-	-	-	-	-	-		
Internal balances	-	-	-	-	-	-	1,086,266	1,086,266	216,705	-		
Unearned income	-	-	-	-	-	-	-	-	-	-		
Total liabilities	-	6,820	1,604	-	32,111	6,506	1,127,143	1,234,719	240,654	-		
DEFERRED INFLOWS OF RESOURCES												
Deferred taxes and related fees	-	-	-	-	-	-	-	-	-	-		
FUND BALANCES												
Nonspendable	-	-	-	-	-	-	-	-	-	-		
Restricted	561,272	18,002	586,812	275,861	44	226,537	-	6,495,812	55,712	1,541		
Unassigned	-	-	-	-	-	-	(993,564)	(993,564)	-	-		
Total fund balance	561,272	18,002	586,812	275,861	44	226,537	(993,564)	5,502,248	55,712	1,541		
Total liabilities, deferred inflows of resources and fund balance	\$ 561,272	\$ 24,822	\$ 588,416	\$ 275,861	\$ 32,155	\$ 233,043	\$ 133,579	\$ 6,736,967	\$ 296,366	\$ 1,541		

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheets - All Nonmajor Governmental Funds
December 31, 2018

ASSETS										
Children's Advocacy Center	ACCS State's Attorney	State's Attorney Records Automation	State's Attorney Forfeiture	Probation Services	Mental Health Court	Detention Home	Coroner's Fund	County Drug Traffic Prevention	Sheriff's DUI Fund	
Cash	68	\$ 1,266	\$ -	\$ 21,098	\$ 682	\$ 568	\$ -	393	\$ 1,171	
Equity in cash and investment pool	36,742	107,850	23,364	2,117,238	18,536	661,526	24,496	23,869	27,867	
Accounts receivable	-	-	-	222,911	-	104,914	-	1,120	-	
Taxes receivable	68,662	-	-	-	-	542,068	-	-	-	
Interest receivable	57	190	37	4,856	28	-	55	108	97	
Internal balances	-	-	-	1,041,022	-	31,811	-	-	-	
Inventory	-	-	-	-	-	-	-	-	-	
Prepaid expenditures	-	-	-	-	-	-	-	-	-	
Total assets	\$ 105,529	\$ 109,306	\$ 23,401	\$ 3,407,125	\$ 19,246	\$ 1,340,887	\$ 24,551	\$ 25,490	\$ 29,135	
LIABILITIES										
Accounts payable	\$ -	\$ -	\$ 560	\$ 4,258	\$ -	\$ 5,240	\$ 6,991	\$ -	\$ 1,209	
Accrued salaries	-	-	-	145,925	-	71,458	1,265	-	-	
Accrued payroll related costs	-	-	-	-	-	-	-	-	-	
Internal balances	-	-	-	45,198	-	1,472,583	-	15,772	-	
Unearned income	-	-	-	-	-	-	-	-	-	
Total liabilities	-	-	560	195,381	-	1,549,281	8,256	15,772	1,209	
DEFERRED INFLOWS OF RESOURCES										
Deferred taxes and related fees	68,662	-	-	-	-	542,068	-	-	-	
FUND BALANCES										
Nonspendable	-	-	-	-	-	-	-	-	-	
Restricted	36,867	9,550	22,841	3,211,744	19,246	-	16,295	9,718	27,926	
Unassigned	-	-	-	-	-	(750,462)	-	-	-	
Total fund balance	36,867	9,550	22,841	3,211,744	19,246	(750,462)	16,295	9,718	27,926	
Total liabilities, deferred inflows of resources and fund balance	\$ 105,529	\$ 109,306	\$ 23,401	\$ 3,407,125	\$ 19,246	\$ 1,340,887	\$ 24,551	\$ 25,490	\$ 29,135	

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheets - All Nonmajor Governmental Funds
December 31, 2018

	Transportation Safety	Sheriff's Asset Forfeiture	Commissary Fund	Jail Medical	Victim Witness Grant	Law Enforcement and Prosecution Grants				
						Domestic Violence Advocate Grant	Stop Grant	Judicial Grant	States Attorney Grants	Probation Grants
ASSETS										
Cash	\$ -	\$ -	\$ 102,029	\$ 443	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in cash and investment pool	298	600,370	127,025	441	8,909	2,000	-	-	-	-
Accounts receivable	-	2,975	592	-	754	12,356	119,206	14,807	15,226	201,645
Taxes receivable	-	-	-	-	-	-	-	-	-	-
Interest receivable	1	1,172	304	5	-	-	-	-	-	-
Internal balances	-	(8,316)	1,231	-	-	-	1,071	-	2	-
Inventory	-	-	-	-	-	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 299	\$ 596,201	\$ 231,181	\$ 889	\$ 9,663	\$ 14,356	\$ 120,277	\$ 14,807	\$ 15,228	\$ 201,645
LIABILITIES										
Accounts payable	\$ -	\$ 5,817	\$ 1,560	\$ -	\$ -	\$ -	\$ 93	\$ 4,528	\$ -	\$ 71,462
Accrued salaries	-	1,359	1,696	-	2,769	2,221	26,011	284	3,217	10,592
Accrued payroll related costs	-	-	-	-	-	-	-	-	-	-
Internal balances	-	10,848	-	-	-	9,716	94,084	9,995	12,011	119,591
Unearned income	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	18,024	3,256	-	2,769	11,937	120,188	14,807	15,228	201,645
DEFERRED INFLOWS OF RESOURCES										
Deferred taxes and related fees	-	-	-	-	-	-	-	-	-	-
FUND BALANCES										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	299	578,177	227,925	889	6,894	2,419	89	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total fund balance	299	578,177	227,925	889	6,894	2,419	89	-	-	-
Total liabilities, deferred inflows of resources and fund balance	\$ 299	\$ 596,201	\$ 231,181	\$ 889	\$ 9,663	\$ 14,356	\$ 120,277	\$ 14,807	\$ 15,228	\$ 201,645

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheets - All Nonmajor Governmental Funds
December 31, 2018

	Sheriff Grants	Total Law Enforcement & Prosecution Grants	Total All Nonmajor Governmental Funds
ASSETS			
Cash	\$ -	\$ -	\$ 244,202
Equity in cash and investment pool	-	10,909	38,674,259
Accounts receivable	70,920	434,914	4,381,290
Taxes receivable	-	-	10,241,468
Interest receivable	-	-	67,923
Internal balances	8,316	9,389	2,266,390
Inventory	-	-	4,719
Prepaid expenditures	-	-	508,245
Total assets	<u>\$ 79,236</u>	<u>\$ 455,212</u>	<u>\$ 56,388,496</u>
LIABILITIES			
Accounts payable	\$ -	\$ 76,083	\$ 961,344
Accrued salaries	15,692	60,786	631,270
Accrued payroll related costs	-	-	603,315
Internal balances	63,544	308,941	3,681,563
Unearned income	-	-	147,830
Total liabilities	<u>79,236</u>	<u>445,810</u>	<u>6,025,322</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred taxes and related fees	-	-	11,220,428
FUND BALANCES			
Nonspendable	-	-	512,964
Restricted	-	9,402	40,398,548
Unassigned	-	-	(1,768,766)
Total fund balance	<u>-</u>	<u>9,402</u>	<u>39,142,746</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 79,236</u>	<u>\$ 455,212</u>	<u>\$ 56,388,496</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
All Nonmajor Governmental Funds
For the year ended December 31, 2018

	Social Security	Retirement Fund	Sale and Error	Indemnity	Recorders Office Escrow	Trustee Demolition Fund	Metro-East Park & Recreation	Veterans Assistance	General Grants
REVENUES									
Property taxes	\$ 1,826,972	\$ 3,886,890	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 377,376	\$ -
Other taxes	-	-	-	-	-	-	-	-	-
Revenue from federal/state agencies	-	-	-	-	-	-	-	-	643,182
Revenue from local agencies	-	-	-	-	-	905,924	1,124,242	-	5,607
Licenses, permits, fines, fees and services	-	-	-	-	-	-	-	-	-
Earnings on investments	57,226	65,329	288,420	125,220	261,384	-	11,503	3,340	730
Miscellaneous revenues	-	-	4,807	4,179	9,216	56,284	87,836	7,750	-
	<u>1,884,198</u>	<u>3,952,219</u>	<u>293,227</u>	<u>129,399</u>	<u>270,600</u>	<u>962,208</u>	<u>1,223,581</u>	<u>388,466</u>	<u>(121)</u>
EXPENDITURES									
General government	2,319,927	4,256,611	285,557	-	400,945	1,025,789	2,375,491	287,283	46,042
Public safety	-	-	-	-	-	-	-	-	346,566
Judicial	-	-	-	-	-	-	-	-	42,536
Public health	-	-	-	-	-	-	-	-	314,123
Debt service	-	-	-	-	-	-	-	-	-
	<u>2,319,927</u>	<u>4,256,611</u>	<u>285,557</u>	<u>-</u>	<u>400,945</u>	<u>1,025,789</u>	<u>2,375,491</u>	<u>287,283</u>	<u>749,267</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(435,729)</u>	<u>(304,392)</u>	<u>7,670</u>	<u>129,399</u>	<u>(130,345)</u>	<u>(63,581)</u>	<u>(1,151,910)</u>	<u>101,183</u>	<u>(99,869)</u>
Other financing sources (uses)									
Capital Lease	-	-	-	-	-	-	-	-	-
Operating transfers-in	-	351,215	-	-	-	-	-	-	24,344
Operating transfers-out	(81,105)	(115,318)	-	(120,820)	-	-	-	-	-
Total other financing sources (uses)	<u>(81,105)</u>	<u>235,897</u>	<u>-</u>	<u>(120,820)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,344</u>
Net changes in fund balances	(516,834)	(68,495)	7,670	8,579	(130,345)	(63,581)	(1,151,910)	101,183	(75,525)
Beginning fund balances	4,379,596	4,743,754	411,626	995,411	702,024	3,680,457	6,014,987	421,853	75,565
Ending fund balances	<u>\$ 3,862,762</u>	<u>\$ 4,675,259</u>	<u>\$ 419,296</u>	<u>\$ 1,003,990</u>	<u>\$ 571,679</u>	<u>\$ 3,616,876</u>	<u>\$ 4,863,077</u>	<u>\$ 523,036</u>	<u>\$ 40</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
All Nonmajor Governmental Funds
For the year ended December 31, 2018

	East Side Youth Violence Prevention	County Health	Landfill Surcharge	Mental Health	Mental Health Grants	Civil Defense Emergency	Emergency Telephone System	Pet Population	Court Automation	Court Document Storage
REVENUES										
Property taxes	\$ -	\$ 585,475	\$ -	\$ 2,337,927	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-	-	-	-	-
Revenue from federal/state agencies	140,222	4,430,629	-	-	231,181	-	-	-	-	-
Revenue from local agencies	-	194,203	-	-	-	-	-	-	-	-
Licenses, permits, fines, fees and services	-	432,171	425,825	-	-	-	3,713,044	40,858	998,009	993,401
Earnings on investments	4	55,796	(20,064)	25,119	23	6,031	35,436	(263)	36,868	37,728
Miscellaneous revenues	-	-	-	-	-	-	5,255	-	-	-
	<u>140,226</u>	<u>5,698,274</u>	<u>405,761</u>	<u>2,363,046</u>	<u>231,204</u>	<u>6,031</u>	<u>3,753,735</u>	<u>40,595</u>	<u>1,034,877</u>	<u>1,031,129</u>
EXPENDITURES										
General government	-	-	7,239	-	-	-	-	-	-	-
Public safety	140,222	-	75,371	-	-	-	2,934,201	123,004	-	-
Judicial	-	-	8,362	-	-	-	-	-	361,835	849,835
Public health	-	5,448,789	345,133	2,312,515	231,181	-	-	-	-	-
Debt service	-	-	-	-	-	-	476,168	-	-	-
	<u>140,222</u>	<u>5,448,789</u>	<u>436,105</u>	<u>2,312,515</u>	<u>231,181</u>	<u>-</u>	<u>3,410,369</u>	<u>123,004</u>	<u>361,835</u>	<u>849,835</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4</u>	<u>249,485</u>	<u>(30,344)</u>	<u>50,531</u>	<u>23</u>	<u>6,031</u>	<u>343,366</u>	<u>(82,409)</u>	<u>673,042</u>	<u>181,294</u>
Other financing sources (uses)										
Capital Lease	-	-	-	-	-	-	463,560	-	-	-
Operating transfers-in	-	-	-	-	-	-	-	-	-	-
Operating transfers-out	-	-	-	(7,982)	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,982)</u>	<u>-</u>	<u>-</u>	<u>463,560</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>4</u>	<u>249,485</u>	<u>(30,344)</u>	<u>42,549</u>	<u>23</u>	<u>6,031</u>	<u>806,926</u>	<u>(82,409)</u>	<u>673,042</u>	<u>181,294</u>
Beginning fund balances	-	4,183,954	299,355	1,613,483	-	399,511	2,971,270	57,669	1,757,267	2,215,681
Ending fund balances	<u>4</u>	<u>\$ 4,433,439</u>	<u>\$ 269,011</u>	<u>\$ 1,656,032</u>	<u>\$ 23</u>	<u>\$ 405,542</u>	<u>\$ 3,778,196</u>	<u>\$ (24,740)</u>	<u>\$ 2,430,309</u>	<u>\$ 2,396,975</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
All Nonmajor Governmental Funds
For the year ended December 31, 2018

	Electronic Citation	Circuit Clerk Title IV-D BSCE	Maintenance/ Child Support Collection	Foreclosure Mediation	Custody Exchange	Law Library	Bailiff	Total Court Services	State's Attorney Title IV-D BSCE	CASA
REVENUES										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-	-	-	-	-
Revenue from federal/state agencies	-	51,582	-	-	-	-	-	51,582	679,686	-
Revenue from local agencies	-	-	-	-	-	-	-	-	-	-
Licenses, permits, fines, fees and services	57,900	-	73,452	57,200	113,000	296,055	875,553	3,464,570	-	13,386
Earnings on investments	9,400	-	8,786	5,520	543	2,676	1,516	103,037	-	101
Miscellaneous revenues	-	-	-	-	-	-	-	-	-	-
	<u>67,300</u>	<u>51,582</u>	<u>82,238</u>	<u>62,720</u>	<u>113,543</u>	<u>298,731</u>	<u>877,069</u>	<u>3,619,189</u>	<u>679,686</u>	<u>13,487</u>
EXPENDITURES										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Judicial	125,279	109,779	117,729	78,750	113,355	186,929	825,985	825,985	-	-
Public health	-	-	-	-	-	-	-	1,943,491	679,685	15,000
Debt service	-	-	-	-	-	-	-	-	-	-
	<u>125,279</u>	<u>109,779</u>	<u>117,729</u>	<u>78,750</u>	<u>113,355</u>	<u>186,929</u>	<u>825,985</u>	<u>2,769,476</u>	<u>679,685</u>	<u>15,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(57,979)</u>	<u>(58,197)</u>	<u>(35,491)</u>	<u>(16,030)</u>	<u>188</u>	<u>111,802</u>	<u>51,084</u>	<u>849,713</u>	<u>1</u>	<u>(1,513)</u>
Other financing sources (uses)										
Capital Lease	-	-	-	-	-	-	-	-	-	-
Operating transfers-in	-	-	-	-	-	-	-	-	-	-
Operating transfers-out	-	72,288	(72,288)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	<u>72,288</u>	<u>(72,288)</u>	-	-	-	-	-	-	-
Net changes in fund balances	<u>(57,979)</u>	<u>14,091</u>	<u>(107,779)</u>	<u>(16,030)</u>	<u>188</u>	<u>111,802</u>	<u>51,084</u>	<u>849,713</u>	<u>1</u>	<u>(1,513)</u>
Beginning fund balances	<u>619,251</u>	<u>3,911</u>	<u>694,591</u>	<u>291,891</u>	<u>(144)</u>	<u>114,735</u>	<u>(1,044,648)</u>	<u>4,652,535</u>	<u>55,711</u>	<u>3,054</u>
Ending fund balances	<u>\$ 561,272</u>	<u>\$ 18,002</u>	<u>\$ 586,812</u>	<u>\$ 275,861</u>	<u>\$ 44</u>	<u>\$ 226,537</u>	<u>\$ (993,564)</u>	<u>\$ 5,502,248</u>	<u>\$ 55,712</u>	<u>\$ 1,541</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
All Nonmajor Governmental Funds
For the year ended December 31, 2018

	Children's Advocacy Center	ACCS State's Attorney	State's Attorney Records Automation	State's Attorney Forfeiture	Probation Services	Mental Health Court	Detention Home	Coroner's Fund	County Drug Traffic Prevention	Sheriff's DUI Fund
REVENUES										
Property taxes	\$ 63,472	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 529,020	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-	-	-	-	-
Revenue from federal/state agencies	-	-	-	-	923,429	-	1,076,020	-	-	15,960
Revenue from local agencies	-	-	-	-	1,355,331	-	78,447	-	-	-
Licenses, permits, fines, fees and services	-	606	18,922	8,050	454,088	9,424	-	36,390	30,861	9,906
Earnings on investments	472	134	1,653	245	39,526	216	6,816	373	909	700
Miscellaneous revenues	-	-	-	-	-	-	-	-	-	-
	<u>63,944</u>	<u>740</u>	<u>20,575</u>	<u>8,295</u>	<u>2,772,374</u>	<u>9,640</u>	<u>1,690,303</u>	<u>36,763</u>	<u>31,770</u>	<u>26,566</u>
EXPENDITURES										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	2,881,402	-	1,557,025	56,757	-	47,279
Judicial	60,500	-	-	-	-	-	-	-	74,895	-
Public health	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
	<u>60,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,881,402</u>	<u>-</u>	<u>1,557,025</u>	<u>56,757</u>	<u>74,895</u>	<u>47,279</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,444</u>	<u>740</u>	<u>20,575</u>	<u>8,295</u>	<u>(109,028)</u>	<u>9,640</u>	<u>133,278</u>	<u>(19,994)</u>	<u>(43,125)</u>	<u>(20,713)</u>
Other financing sources (uses)										
Capital Lease	-	-	-	-	-	-	-	-	-	-
Operating transfers-in	-	-	-	-	-	-	-	-	-	-
Operating transfers-out	-	-	-	-	(3,280)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,280)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>3,444</u>	<u>740</u>	<u>20,575</u>	<u>8,295</u>	<u>(112,308)</u>	<u>9,640</u>	<u>133,278</u>	<u>(19,994)</u>	<u>(43,125)</u>	<u>(20,713)</u>
Beginning fund balances	<u>33,423</u>	<u>8,810</u>	<u>88,731</u>	<u>14,546</u>	<u>3,324,052</u>	<u>9,606</u>	<u>(883,740)</u>	<u>36,289</u>	<u>52,843</u>	<u>48,639</u>
Ending fund balances	<u>\$ 36,867</u>	<u>\$ 9,550</u>	<u>\$ 109,306</u>	<u>\$ 22,841</u>	<u>\$ 3,211,744</u>	<u>\$ 19,246</u>	<u>\$ (750,462)</u>	<u>\$ 16,295</u>	<u>\$ 9,718</u>	<u>\$ 27,926</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
All Nonmajor Governmental Funds
For the year ended December 31, 2018

		Law Enforcement and Prosecution Grants									
		Sheriff's		Domestic		Victim		Jail		Prosecution	
Transportation	Asset	Forfeiture	Commissary	Medical	Witness	Advocate	Stop	Judicial	States	Probation	
Safety			fund		Grant	Grant	Grant	Grant	Attorney	Grants	
\$	-	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Property taxes	-	-	-	-	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-	-	-	-	-	-
Revenue from federal/state agencies	-	35,164	-	-	31,316	41,184	408,416	23,518	35,961	201,645	-
Revenue from local agencies	-	-	-	-	-	-	-	-	3,789	-	-
Licenses, permits, fines, fees and services	-	243,815	155,521	7,214	-	-	-	-	-	-	-
Earnings on investments	4	10,215	2,726	4	-	-	-	-	-	-	(1)
Miscellaneous revenues	-	-	-	-	-	-	-	-	-	-	-
	4	289,194	158,247	7,218	31,316	41,184	408,416	23,518	39,750	201,644	-
EXPENDITURES											
General government	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	306,992	221,515	8,297	-	-	234,600	-	-	202,782	-
Judicial	-	-	-	-	45,174	52,198	185,650	23,518	41,173	-	-
Public health	-	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-
	-	306,992	221,515	8,297	45,174	52,198	420,250	23,518	41,173	202,782	-
Excess (deficiency) of revenues over (under) expenditures	4	(17,798)	(63,268)	(1,079)	(13,858)	(11,014)	(11,834)	-	(1,423)	(1,138)	-
Other financing sources (uses)											
Capital Lease	-	-	-	-	-	-	-	-	-	-	-
Operating transfers-in	-	-	-	-	13,048	13,404	11,918	-	1,423	1,138	-
Operating transfers-out	-	(9,634)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(9,634)	-	-	13,048	13,404	11,918	-	1,423	1,138	-
Net changes in fund balances	4	(27,432)	(63,268)	(1,079)	(810)	2,390	84	-	-	-	-
Beginning fund balances	295	605,609	291,193	1,968	7,704	29	5	-	-	-	-
Ending fund balances	299	\$ 578,177	\$ 227,925	\$ 889	\$ 6,894	\$ 2,419	\$ 89	\$	\$	\$	\$

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
All Nonmajor Governmental Funds
For the year ended December 31, 2018

	Law		Total	Budgetary Basis	Final Budget
	Sheriff Grants	Enforcement & Prosecution Grants	All Nonmajor Governmental Funds		
REVENUES					
Property taxes	\$ -	\$ -	\$ 9,607,132	\$ 9,607,129	\$ 9,175,355
Other taxes	-	-	-	-	-
Revenue from federal/state agencies	161,871	903,911	9,130,966	10,087,490	16,481,866
Revenue from local agencies	-	3,789	3,667,543	3,687,566	2,164,667
Licenses, permits, fines, fees and services	-	-	9,755,248	9,406,996	8,629,092
Earnings on investments	-	(1)	561,839	346,646	226,425
Miscellaneous revenues	-	-	5,134	5,255	3,725
	<u>161,871</u>	<u>907,699</u>	<u>32,727,862</u>	<u>33,141,082</u>	<u>36,681,130</u>
EXPENDITURES					
General government	-	-	11,004,884	10,987,038	15,607,132
Public safety	171,505	608,887	10,133,503	9,218,526	13,472,816
Judicial	-	347,713	3,172,182	3,181,326	8,082,272
Public health	-	-	8,651,741	8,866,093	12,415,558
Debt service	-	-	476,168	476,167	477,000
	<u>171,505</u>	<u>956,600</u>	<u>33,438,478</u>	<u>32,729,150</u>	<u>50,054,778</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,634)</u>	<u>(48,901)</u>	<u>(710,616)</u>	<u>411,932</u>	<u>(13,373,648)</u>
Other financing sources (uses)					
Capital Lease	-	-	463,560	-	-
Operating transfers-in	9,634	50,565	426,124	390,692	417,303
Operating transfers-out	-	-	(338,139)	(129,872)	(172,288)
Total other financing sources (uses)	<u>9,634</u>	<u>50,565</u>	<u>551,545</u>	<u>260,820</u>	<u>245,015</u>
Net changes in fund balances	-	1,664	(159,071)	\$ 672,752	\$ (13,128,633)
Beginning fund balances	-	7,738	39,301,817		
Ending fund balances	<u>\$ -</u>	<u>\$ 9,402</u>	<u>\$ 39,142,746</u>		

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheet
Internal Service Funds
December 31, 2018

	Employees' Medical Trust Fund	Unemployment Trust	Public Building Commission	Total
ASSETS				
Current assets				
Cash	\$ -	\$ -	\$ 210,343	\$ 210,343
Investments	-	-	33,241,676	33,241,676
Accounts receivable	471,860	-	15,199	487,059
Interest receivable	-	32	146,915	146,947
Due from other funds	605,422	-	-	605,422
Note receivable -current	-	-	42,898	42,898
Net investment in direct financing leases	-	-	705,610	705,610
Prepaid expenses	-	-	1,006	1,006
Total current assets	<u>1,077,282</u>	<u>32</u>	<u>34,363,647</u>	<u>35,440,961</u>
Restricted assets				
Investments	-	-	558,964	558,964
Total restricted assets	<u>-</u>	<u>-</u>	<u>558,964</u>	<u>558,964</u>
Noncurrent assets				
Due from St. Clair County	-	-	13,323,079	13,323,079
Note receivable	-	-	43,330	43,330
Net investment in direct financing leases	-	-	20,620,085	20,620,085
Capital assets	-	-	560,992	560,992
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>34,547,486</u>	<u>34,547,486</u>
Deferred outflows of resources				
Deferred outflows related to pension	73,868	-	700,387	774,255
Deferred outflows related to OPEB liability	1,338	-	12,367	13,705
Total outflows of resources	<u>75,206</u>	<u>-</u>	<u>712,754</u>	<u>787,960</u>
Total assets and deferred outflows of resources	<u>\$ 1,152,488</u>	<u>\$ 32</u>	<u>\$ 70,182,851</u>	<u>\$ 71,335,371</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheet
Internal Service Funds
(continued)
December 31, 2018

	Employees' Medical Trust Fund	Unemployment Trust	Public Building Commission	Total
LIABILITIES				
Current liabilities				
Accounts payable	\$ 102,411	\$ -	\$ 514,616	\$ 617,027
Accrued payroll and related costs	9,091	9,669	273,657	292,417
Accrued interest	-	-	87,322	87,322
Due to other funds	3,463,719	4,901	-	3,468,620
Other liabilities	1,005,626	-	-	1,005,626
Unearned revenues	155,906	-	224,771	380,677
Revenue bonds - current	-	-	685,000	685,000
Total current liabilities	<u>4,736,753</u>	<u>14,570</u>	<u>1,785,366</u>	<u>6,536,689</u>
Noncurrent liabilities				
Funds held in escrow	-	-	35,036	35,036
Revenue bonds	-	-	20,364,768	20,364,768
Net OPEB liability	4,456	-	25,936	30,392
Net pension liability (asset)	96,756	-	855,282	952,038
Total noncurrent liabilities	<u>101,212</u>	<u>-</u>	<u>21,281,022</u>	<u>21,382,234</u>
Total liabilities	<u>4,837,965</u>	<u>14,570</u>	<u>23,066,388</u>	<u>27,918,923</u>
Deferred inflows of resources				
Unamortized gain on refinancing	-	-	295,908	295,908
Deferred inflows related to pensions	23,963	-	235,030	258,993
Deferred inflows related to OPEB	2,852	-	26,356	29,208
	<u>26,815</u>	<u>-</u>	<u>557,294</u>	<u>584,109</u>
Total liabilities and deferred inflows of resources	<u>4,864,780</u>	<u>14,570</u>	<u>23,623,682</u>	<u>28,503,032</u>
NET POSITION				
Net investment in capital assets	-	-	560,992	560,992
Restricted	-	(14,538)	523,928	509,390
Unrestricted	(3,712,292)	-	45,474,249	41,761,957
	<u>\$ (3,712,292)</u>	<u>\$ (14,538)</u>	<u>\$ 46,559,169</u>	<u>\$ 42,832,339</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the year ended December 31, 2018

	Employees' Medical Trust Fund	Unemployment Trust	Public Building Commission	Total
Operating revenues				
Insurance premiums	\$ 13,102,150	\$ -	\$ -	\$ 13,102,150
Operating lease income	-	-	10,990,254	10,990,254
Capital lease interest income	-	-	1,045,454	1,045,454
Parking fees	-	-	198,784	198,784
Phone and vending commissions	-	-	153,611	153,611
Intergovernmental revenues	-	-	15,972	15,972
Miscellaneous	-	-	2,875	2,875
Total revenue	<u>13,102,150</u>	<u>-</u>	<u>12,406,950</u>	<u>25,509,100</u>
Expenses				
Insurance claims and premiums	12,460,215	41,484	-	12,501,699
Post employment benefit contribution	334,951	-	-	334,951
Payroll and related costs	147,988	-	2,418,068	2,566,056
Custodial supplies and services	-	-	744,777	744,777
Repairs, maintenance, and renovation	-	-	3,926,413	3,926,413
Utilities and telephone	-	-	1,046,995	1,046,995
Other	504,224	-	149,675	653,899
Depreciation	-	-	14,674	14,674
Interest expense	-	-	1,017,833	1,017,833
Total expenses	<u>13,447,378</u>	<u>41,484</u>	<u>9,318,435</u>	<u>22,807,297</u>
Operating income (loss)	(345,228)	(41,484)	3,088,515	2,701,803
Other income				
Earnings on investments	<u>(32,665)</u>	<u>(770)</u>	<u>384,807</u>	<u>351,372</u>
Net income (loss)	(377,893)	(42,254)	3,473,322	3,053,175
Net position - beginning of year	<u>(3,334,399)</u>	<u>27,716</u>	<u>43,085,847</u>	<u>39,779,164</u>
Net position - end of year	<u>\$ (3,712,292)</u>	<u>\$ (14,538)</u>	<u>\$ 46,559,169</u>	<u>\$ 42,832,339</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Cash Flows
Internal Service Funds
For the year ended December 31, 2018

	Employees' Medical Trust Fund	Unemployment Trust	Public Building Commission	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments from customers	\$ 1,700,114	\$ -	\$ 695,789	\$ 2,395,903
Payments from interfund services provided	11,325,519	4,901	12,420,649	23,751,069
Payments to vendors	(12,845,567)	(51,066)	(6,407,534)	(19,304,167)
Payments to employees	(147,401)	-	(1,577,039)	(1,724,440)
Net cash provided (used) by operating activities	<u>32,665</u>	<u>(46,165)</u>	<u>5,131,865</u>	<u>5,118,365</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Interest paid	-	-	(1,070,386)	(1,070,386)
Principal payments on bonds	-	-	(665,000)	(665,000)
Loan to Airport	-	-	42,472	42,472
Payments on behalf of business-type activities	-	-	(506,161)	(506,161)
	<u>-</u>	<u>-</u>	<u>(2,199,075)</u>	<u>(2,199,075)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment interest	(32,665)	(735)	267,462	234,062
Investments	-	-	(10,155,164)	(10,155,164)
Net cash provided (used) by investing activities	<u>(32,665)</u>	<u>(735)</u>	<u>(9,887,702)</u>	<u>(9,921,102)</u>
Net increase (decrease) in cash and cash equivalents	-	(46,900)	(6,954,912)	(7,001,812)
Cash and cash equivalents - beginning of year	-	46,900	19,698,409	19,745,309
Cash and cash equivalents - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,743,497</u>	<u>\$ 12,743,497</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Cash Flows
Internal Service Funds
(continued)
For the year ended December 31, 2018

	Employees' Medical Trust Fund	Unemployment Trust	Public Building Commission	Total
RECONCILIATION OF OPERATING				
INCOME (LOSS) TO CASH PROVIDED (USED)				
BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (345,228)	\$ (41,484)	\$ 3,088,515	\$ 2,701,803
Adjustments to reconcile				
Depreciation and amortization	-	-	14,674	14,674
Interest expense related to direct financing leases	-	-	1,017,833	1,017,833
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	122,221	-	9,088	131,309
(Increase) decrease in net investment in direct leases	-	-	678,667	678,667
(Increase) decrease in prepaid expenses			251	251
(Increase) decrease in due from other funds	(605,422)	4,901	-	(600,521)
(Increase) decrease in deferred outflows	(47,137)	-	(587,972)	(635,109)
Increase (decrease) in accounts payable	(61,221)	-	378,949	317,728
Increase (decrease) in accrued wages and related costs	587	(9,582)	8,662	(333)
Increase (decrease) in due to other funds	1,656,749	-	-	1,656,749
Increase (decrease) in other liabilities	(748,087)	-	-	(748,087)
Increase (decrease) in unearned income	21,293	-	21,488	42,781
Increase (decrease) in net OPEB liability	(4,058)		(37,516)	(41,574)
Increase (decrease) in net pension asset/liability	115,525	-	1,275,690	1,391,215
Increase (decrease) in deferred inflows	(72,557)	-	(736,464)	(809,021)
Net cash provided (used) by operating activities	<u>\$ 32,665</u>	<u>\$ (46,165)</u>	<u>\$ 5,131,865</u>	<u>\$ 5,118,365</u>
SCHEDULE OF NON-CASH FINANCING AND INVESTING ACTIVITIES				
Increase (decrease) in market value of investments	\$ (5)	\$ (213)	\$ -	\$ (218)

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheet
Fiduciary Funds - Agency Funds
December 31, 2018

ASSETS

	County Collector's Property Tax Fund	County Trustee	Tax Redemption and Revolving Delinquent Tax Accounts	Circuit Clerk Traffic	Unclaimed Bond Placement	Inmate Personal Accounts	Arbitration Fund
Cash	\$ 1,398,604	\$ 1,267,330	\$ 823,099	\$ 1,735,542	\$ -	\$ 192,124	\$ 15,160
Equity in cash and investment pool	165,841	-	-	-	71,079	-	608
Investments	-	-	-	1,287,959	-	-	-
Accounts receivable	-	-	-	-	-	5,440	-
Interest receivable	316	-	-	-	-	-	-
Total assets	<u>\$ 1,564,761</u>	<u>\$ 1,267,330</u>	<u>\$ 823,099</u>	<u>\$ 3,023,501</u>	<u>\$ 71,079</u>	<u>\$ 197,564</u>	<u>\$ 15,768</u>

LIABILITIES

Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 476	\$ 26,382	\$ -
Due to taxing districts	794,981	-	-	-	-	-	-
Held pending protested tax settlement	163,477	-	-	-	-	-	-
Funds held in escrow	606,303	1,267,330	823,099	3,023,501	70,603	171,182	15,768
Total liabilities	<u>\$ 1,564,761</u>	<u>\$ 1,267,330</u>	<u>\$ 823,099</u>	<u>\$ 3,023,501</u>	<u>\$ 71,079</u>	<u>\$ 197,564</u>	<u>\$ 15,768</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheet
Fiduciary Funds - Agency Funds
December 31, 2018

ASSETS

	Inheritance Tax	Condemnation Fund	Estates of Deceased Persons	County Escheat	Total
Cash	\$ -	\$ -	\$ -	\$ -	\$ 5,431,859
Equity in cash and investment pool	-	118,141	84,597	8,427	448,693
Investments	-	-	-	-	1,287,959
Accounts receivable	-	-	-	-	5,440
Interest receivable	-	1,215	161	16	1,708
Total assets	\$ -	\$ 119,356	\$ 84,758	\$ 8,443	\$ 7,175,659

LIABILITIES

Accounts payable	\$ -	\$ 3,630	\$ -	\$ -	\$ 30,488
Due to taxing districts	-	-	-	-	794,981
Held pending protested tax settlement	-	-	-	-	163,477
Funds held in escrow	-	115,726	84,758	8,443	6,186,713
Total liabilities	\$ -	\$ 119,356	\$ 84,758	\$ 8,443	\$ 7,175,659

STATISTICAL SECTION

ST. CLAIR COUNTY, ILLINOIS
Governmental-wide Expenses by Function
(in thousands)
(unaudited)

	2018*	2017*	2016*	2015*	2014	2013	2012	2011	2010	2009
<u>Governmental activities</u>										
General government	\$ 21,872	\$ 21,441	\$ 21,899	\$ 24,226	\$ 20,903	\$ 20,934	\$ 20,991	\$ 15,549	\$ 21,451	\$ 16,133
Public safety	37,779	38,496	36,176	40,268	37,031	36,855	35,157	33,649	33,139	32,692
Judicial	12,127	12,560	12,677	14,292	14,646	14,524	14,709	12,408	11,697	11,446
Public health	10,181	10,309	11,130	11,894	12,020	12,066	11,321	11,922	14,034	12,066
Transportation	12,279	12,005	13,274	14,551	16,692	12,853	10,142	10,449	10,805	7,101
Interest on long-term debt	468	502	710	711	712	716	738	645	802	823
	94,706	95,313	95,866	105,942	102,004	97,948	93,058	84,622	91,928	80,261
<u>Business-type activities</u>										
Airport operations	20,629	19,430	18,402	17,415	16,296	16,546	15,885	15,767	18,797	19,176
	\$ 115,335	\$ 114,743	\$ 114,268	\$ 123,357	\$ 118,300	\$ 114,494	\$ 108,943	\$ 100,389	\$ 110,725	\$ 99,437

*Includes the Public Building Commission as a blended component unit.

2017 Implementation of GSAB 74 - Accounting and Financial Reporting for Other Post-Employment Benefits (OPEB)

2015 Implementation of GSAB 68 - Accounting and Financial Reporting for Pensions

2012 Restated for retroactive application of GASB 65 - *Items Previously Reported as Assets and Liabilities*

ST. CLAIR COUNTY, ILLINOIS
Government-wide Revenues
(in thousands)
(Unaudited)

	2018*	2017*	2016*	2015*	2014	2013	2012	2011	2010	2009
Governmental activities										
Property taxes	\$ 38,796	\$ 37,803	\$ 31,696	\$ 31,994	\$ 30,826	\$ 31,868	\$ 32,573	\$ 33,149	\$ 33,601	\$ 33,245
Sales taxes	10,272	9,673	9,461	9,277	9,055	8,848	8,868	8,803	8,594	7,303
Personal property replacement tax	2,393	2,472	2,840	2,448	2,558	2,632	2,301	2,381	2,543	2,422
State income tax	5,274	4,967	5,252	5,962	5,178	5,273	4,857	4,286	4,380	4,983
Other taxes	229	210	198	185	149	121	62	103	128	139
Charges for goods and services	30,839	29,965	25,638	26,787	26,013	25,551	27,179	24,536	25,342	25,461
Operating grants and contributions	11,951	11,297	12,982	11,518	12,548	11,814	11,215	12,591	13,686	14,263
Motor fuel tax	4,901	4,668	4,753	4,541	5,948	5,165	4,879	4,874	5,056	4,791
Capital grants and contributions	1,751	7,704	2,504	1,160	4,868	1,035	1,430	2,372	3,430	229
Earnings on investments	2,118	1,135	1,149	888	1,001	89	784	997	1,924	2,284
Miscellaneous	616	13	87	526	22	2	22	120	30	(18)
	<u>109,140</u>	<u>109,907</u>	<u>96,560</u>	<u>95,286</u>	<u>98,166</u>	<u>92,398</u>	<u>94,170</u>	<u>94,212</u>	<u>98,714</u>	<u>95,102</u>
Business-type activities										
Charges for goods and services	9,067	7,173	5,341	3,626	3,957	3,533	3,444	3,704	3,166	2,139
Operating grants and contributions	349	99	-	-	-	-	2	-	3,043	2,954
Capital grants and contributions	1,054	2,070	484	501	455	936	3,095	655	388	747
Earnings on investments	19	18	38	84	131	128	127	140	157	220
Miscellaneous	(35)	-	-	15	157	(24)	-	(17)	-	16
	<u>10,454</u>	<u>9,360</u>	<u>5,863</u>	<u>4,226</u>	<u>4,700</u>	<u>4,573</u>	<u>6,668</u>	<u>4,482</u>	<u>6,754</u>	<u>6,076</u>
	<u>\$ 119,594</u>	<u>\$ 119,267</u>	<u>\$ 102,423</u>	<u>\$ 99,512</u>	<u>\$ 102,866</u>	<u>\$ 96,971</u>	<u>\$ 100,838</u>	<u>\$ 98,694</u>	<u>\$ 105,468</u>	<u>\$ 101,178</u>

*Includes the Public Building Commission as a blended component unit.

ST. CLAIR COUNTY, ILLINOIS
Revenues and Expenditures by Function
All Primary Governmental Funds*
Budgetary Basis
(unaudited)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues										
Property taxes	\$ 38,795,901	\$ 37,802,882	\$ 31,696,239	\$ 31,993,890	\$ 30,826,320	\$ 31,867,776	\$ 34,243,229	\$ 31,133,257	\$ 35,521,176	\$ 31,324,491
Sales tax	10,143,688	9,589,247	9,528,813	9,069,932	8,974,657	8,874,363	8,810,715	8,767,006	8,399,535	7,358,089
State income tax	5,235,722	5,633,293	5,365,741	5,824,243	5,233,174	5,683,703	5,006,997	4,731,444	3,808,188	4,667,969
Personal property replacement tax	2,373,078	2,610,321	2,471,792	2,789,557	2,616,008	2,541,093	2,292,186	2,287,994	2,596,425	2,408,048
Hotel/motel tax	-	-	-	949	18,612	8,486	13,384	13,830	14,338	14,884
Part-mutuel tax	44,575	42,074	47,321	50,952	47,488	51,365	40,756	93,016	116,035	123,077
Video gaming tax	182,971	163,883	146,968	132,454	85,631	55,727	749	-	-	-
Motor fuel tax	5,046,616	4,558,743	4,733,886	4,568,263	5,959,475	5,059,252	4,878,453	4,866,442	5,048,088	4,883,073
Revenue from federal/state agencies	12,355,928	11,229,299	8,408,021	9,705,728	12,558,093	10,044,688	10,170,846	9,559,657	9,658,760	15,343,433
Revenue from local agencies	6,804,023	4,177,061	6,224,056	3,952,927	3,874,468	3,510,926	3,249,849	3,387,840	3,518,196	4,315,696
Licenses, permits, fines, fees, and services	24,792,532	23,069,660	21,691,721	22,784,395	22,076,907	22,500,280	23,899,332	20,764,141	22,513,423	22,454,045
Earnings on investment:	1,164,932	1,150,783	969,345	871,297	792,534	776,477	822,976	813,161	1,967,010	2,762,628
Miscellaneous revenues	362,234	42,842	38,738	572,876	63,800	40,227	53,511	186,061	921,966	63,629
	<u>\$ 107,302,200</u>	<u>\$ 100,070,088</u>	<u>\$ 91,322,641</u>	<u>\$ 92,317,463</u>	<u>\$ 93,127,167</u>	<u>\$ 91,014,364</u>	<u>\$ 93,482,983</u>	<u>\$ 86,603,849</u>	<u>\$ 94,083,140</u>	<u>\$ 95,719,062</u>
Expenditures										
General government	\$ 45,570,067	\$ 41,300,306	\$ 42,361,520	\$ 39,283,434	\$ 44,507,875	\$ 45,235,986	\$ 43,939,118	\$ 39,193,909	\$ 40,667,979	\$ 37,457,205
Public safety	26,903,645	22,633,468	20,410,658	24,617,570	24,978,859	22,741,234	21,941,580	21,501,870	21,237,430	28,660,663
Judicial	7,931,756	7,713,001	7,534,873	7,814,910	7,655,617	7,737,208	7,368,321	7,027,583	6,842,081	7,307,985
Public health	8,894,765	10,162,488	10,674,532	9,041,813	9,483,063	10,914,700	10,655,986	11,211,313	11,344,650	10,610,128
Transportation	8,689,559	18,051,316	11,427,007	11,322,537	11,957,253	9,716,069	11,938,356	13,262,343	9,407,154	9,314,965
Debt service	6,241,698	6,239,881	6,243,834	6,724,850	7,773,641	4,902,059	4,738,950	1,863,125	1,870,400	325,150
	<u>\$ 104,231,490</u>	<u>\$ 106,100,460</u>	<u>\$ 98,652,424</u>	<u>\$ 98,805,114</u>	<u>\$ 106,356,308</u>	<u>\$ 101,247,256</u>	<u>\$ 100,582,311</u>	<u>\$ 94,060,143</u>	<u>\$ 91,369,694</u>	<u>\$ 93,676,096</u>

*Governmental funds include the General, Special Revenue, and Debt Service fund types.

ST. CLAIR COUNTY, ILLINOIS
Net Position by Component
(Government-Wide Basis)
(unaudited)

	2018*	2017*	2016*	2015*	2014	2013	2012	2011	2010	2009
Governmental activities										
Net investment in capital assets										
Restricted	\$ 128,587,961	\$ 128,017,195	\$ 121,647,109	\$ 130,726,015	\$ 126,390,280	\$ 126,366,693	\$ 125,575,053	\$ 114,976,772	\$ 107,296,887	\$ 102,997,984
Unrestricted	119,706,431	104,511,651	109,923,310	91,377,893	105,592,443	103,540,099	85,291,841	90,708,155	91,241,360	92,900,209
	<u>(8,826,120)</u>	<u>(1,215,662)</u>	<u>(4,275,870)</u>	<u>(7,419,474)</u>	<u>15,509,786</u>	<u>29,003,724</u>	<u>60,396,986</u>	<u>68,976,893</u>	<u>69,767,384</u>	<u>69,619,435</u>
Total governmental activities net position	<u>\$ 239,468,272</u>	<u>\$ 231,313,184</u>	<u>\$ 227,294,549</u>	<u>\$ 214,684,434</u>	<u>\$ 247,492,509</u>	<u>\$ 258,910,516</u>	<u>\$ 271,263,880</u>	<u>\$ 274,661,820</u>	<u>\$ 268,305,631</u>	<u>\$ 265,517,628</u>
Business-type activities										
Net investment in capital assets										
Restricted	\$ 82,326,156	\$ 86,181,075	\$ 89,754,539	\$ 87,929,218	\$ 87,480,770	\$ 95,861,298	\$ 110,057,335	\$ 102,161,775	\$ 107,043,726	\$ 110,589,303
Unrestricted	527,265	1,446,241	1,060,992	454,760	412,052	328,125	292,156	-	-	-
	<u>(13,328,868)</u>	<u>(14,207,196)</u>	<u>(15,880,139)</u>	<u>(21,500,278)</u>	<u>(14,383,748)</u>	<u>(18,663,380)</u>	<u>(27,653,535)</u>	<u>(14,978,687)</u>	<u>(11,809,561)</u>	<u>(7,311,746)</u>
Total business-type activities net position	<u>\$ 69,524,553</u>	<u>\$ 73,420,120</u>	<u>\$ 74,935,392</u>	<u>\$ 66,883,700</u>	<u>\$ 73,509,074</u>	<u>\$ 77,526,043</u>	<u>\$ 82,695,956</u>	<u>\$ 87,183,088</u>	<u>\$ 95,234,165</u>	<u>\$ 103,277,557</u>
Primary government										
Net investment in capital assets										
Restricted	\$ 210,914,117	\$ 214,198,270	\$ 211,401,648	\$ 218,655,233	\$ 213,871,050	\$ 222,227,991	\$ 235,632,388	\$ 217,138,547	\$ 214,340,613	\$ 213,587,287
Unrestricted	120,233,696	105,957,892	110,984,302	91,832,653	106,004,495	103,868,224	85,683,997	90,708,155	91,241,360	92,900,209
	<u>(22,154,988)</u>	<u>(15,422,858)</u>	<u>(20,156,009)</u>	<u>(28,919,752)</u>	<u>1,126,038</u>	<u>10,340,344</u>	<u>32,743,451</u>	<u>53,998,206</u>	<u>57,957,823</u>	<u>62,307,689</u>
Total primary government net position	<u>\$ 308,992,825</u>	<u>\$ 304,733,304</u>	<u>\$ 302,229,941</u>	<u>\$ 281,568,134</u>	<u>\$ 321,001,583</u>	<u>\$ 336,436,559</u>	<u>\$ 353,959,836</u>	<u>\$ 361,844,908</u>	<u>\$ 363,539,796</u>	<u>\$ 368,795,185</u>

*Includes the Public Building Commission as a blended component unit.

2017 Implementation of GSAB 74 - Accounting and Financial Reporting for Other Post-Employment Benefits (OPEB)

2015 Implementation of GSAB 68 - Accounting and Financial Reporting for Pensions

2012 Restated for retroactive application of GASB 65 - *Items Previously Reported as Assets and Liabilities*

2009 Restated for allocation of net position

ST. CLAIR COUNTY, ILLINOIS
Assessed, Equalized, and Estimated Value of Taxable Property
(in thousands)
(unaudited)

Fiscal year extended & collected Tax year	2018 2017	2017 2016	2016 2015	2015 2014	2014 2013	2013 2012	2012 2011	2011 2010	2010 2009	2009 2008
Real property										
Estimated actual value	\$ 13,455,324	\$ 13,190,769	\$ 12,836,067	\$ 12,665,874	\$ 12,791,598	\$ 12,998,586	\$ 13,396,659	\$ 13,775,583	\$ 14,171,085	\$ 14,082,051
Locally assessed values	\$ 4,485,108	\$ 4,396,923	\$ 4,278,689	\$ 4,221,958	\$ 4,263,866	\$ 4,332,862	\$ 4,465,553	\$ 4,591,861	\$ 4,723,695	\$ 4,694,017
Equalized assessed values										
without railroads & TIFs	\$ 4,100,051	\$ 4,012,754	\$ 3,924,750	\$ 3,855,489	\$ 3,885,959	\$ 3,955,123	\$ 4,062,664	\$ 4,148,996	\$ 4,219,235	\$ 4,158,036
Less:										
"1790" homestead exemption	(335,120)	(337,036)	(343,279)	(356,980)	(361,940)	(367,706)	(374,647)	(375,753)	(397,721)	(359,461)
Senior citizen	(92,295)	(89,574)	(88,785)	(91,450)	(91,042)	(72,717)	(71,857)	(69,346)	(71,693)	(69,912)
P.A. 83-533	-	-	-	-	-	-	-	(164)	(161)	(188)
Senior citizen freeze	(31,273)	(31,721)	(31,842)	(35,157)	(39,836)	(46,849)	(57,443)	(68,596)	(83,110)	(80,747)
Veteran's exemptions/freeze	(144,000)	(117,789)	(98,059)	(9,033)	(1,118)	(1,077)	(933)	(3,393)	(4,406)	(3,085)
Other exemptions	(850)	(830)	(915)	(1,000)	(1,011)	(1,012)	(1,039)	(3,208)	(3,599)	(2,163)
Disabled persons	(4,615)	(4,280)	(4,250)	(4,026)	-	-	-	-	-	-
Home improvement exemption	-	-	-	-	-	(32)	(218)	(372)	(470)	(569)
Billing value before railroad	3,491,898	3,431,524	3,357,620	3,357,843	3,391,012	3,465,730	3,556,527	3,628,164	3,658,075	3,641,911
State assessed railroad EAV	56,392	56,574	56,850	51,368	48,106	42,943	39,648	36,597	32,502	27,816
Total equalized real property used for taxes	\$ 3,548,290	\$ 3,488,098	\$ 3,414,470	\$ 3,409,211	\$ 3,439,118	\$ 3,508,673	\$ 3,596,175	\$ 3,664,861	\$ 3,690,577	\$ 3,669,727
TIF/Enterprise zone values	\$ 399,840	\$ 392,315	\$ 373,640	\$ 373,133	\$ 377,907	\$ 377,738	\$ 402,888	\$ 442,866	\$ 504,469	\$ 535,980
Ratio of equalized assessed value to locally assessed value- non-agricultural	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

ST. CLAIR COUNTY, ILLINOIS
Property Tax Extensions and Collections
(unaudited)

Fiscal year extended & collected Tax year	2018 2017	2017 2016	2016 2015	2015 2014	2014 2013	2013 2012	2012 2011	2011 2010	2010 2009	2009 2008
Original extension	\$ 39,031,186	\$ 37,898,189	\$ 32,045,321	\$ 32,005,671	\$ 31,227,713	\$ 32,010,176	\$ 32,840,273	\$ 33,562,790	\$ 33,904,501	\$ 33,618,874
Billing adjustments	(248,630)	(200,741)	(242,269)	(133,121)	(111,789)	(201,236)	(219,150)	(191,947)	(282,658)	(258,721)
Final Extension	38,782,556	37,697,448	31,803,052	31,872,550	31,115,924	31,808,940	32,621,123	33,370,843	33,621,843	33,360,153
Collections	38,623,984	37,517,378	31,608,599	31,690,596	30,668,002	31,680,845	32,308,804	33,027,629	33,445,423	33,226,527
Taken by County Trustees/forfeited	\$ 158,572	\$ 180,070	\$ 194,453	\$ 181,954	\$ 447,922	\$ 128,095	\$ 312,319	\$ 343,214	\$ 176,420	\$ 133,626
Percent collected	99.59%	99.52%	99.39%	99.43%	98.56%	99.60%	99.04%	98.97%	99.48%	99.60%
Back taxes collected*	\$ 57,367	\$ 90,143	\$ (12,927)	\$ 144,914	\$ (26,717)	\$ (24,002)	\$ (1,047)	\$ 48,701	\$ (199,409)	\$ (148,940)

*Back taxes collected by the Trustee on behalf of the County are not recorded by tax year and accordingly cannot be reported by tax year. In addition, these are net of prior year refunds. In 2008, back tax amounts erroneously not billed in prior years but collected in 2008. Back taxes refunds in excess of those collected are refunded from current year taxes.