

**ST. CLAIR COUNTY, ILLINOIS
ANNUAL SINGLE AUDIT**

For the year ended December 31, 2010

ST. CLAIR COUNTY, ILLINOIS
Annual Financial Report
For the year ended December 31, 2010

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INTRODUCTORY SECTION



PATTY A. SPRAGUE

COUNTY AUDITOR
ST. CLAIR COUNTY
10 PUBLIC SQUARE, Room B-558
BELLEVILLE, ILLINOIS 62220-1623
auditor@co.st-clair.il.us
(618) 277-6600 EXT. 2261
FAX: (618) 825-2740

FPP-13

September 14, 2011

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, the primary government, for the fiscal year ended December 31, 2010, in conformity with generally accepted accounting principles (GAAP). The financial statements have been audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

As part of the County's compliance with GAAP, St. Clair County reports under the Governmental Accounting Standards Board's Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. The objective of this statement is to enhance the understandability and usefulness of the external financial reports of state and local governments to its citizenry, legislative and oversight bodies, and creditors. Not only does the report concentrate on cumulative results of governmental funds and that of the business-type fund, the County includes certain highway infrastructure (as discussed in the Management's Discussion and Analysis) as part of its reported assets and depreciates all capital assets.

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.

St. Clair County's financial statements have been audited by J.W. Boyle & Co., Ltd., a firm of licensed certified public accountants. 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, 2010, 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, 2010 are fairly presented in conformity with GAAP except that the financial activities of its component units, St. Clair County Public Building Commission and Intergovernmental Grants Department, are not included in these financial statements. 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 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 ninth largest in the state with a population of approximately 270,056 according to the 2010 census.

The County is comprised of 22 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.

Also overseeing offices of County government and the judiciary are 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 as well as the Treasurer. These officials are elected to four-year staggered 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, and planning services. The County is not involved in hospital or nursing home operations. In 1998, the County opened a joint military-civilian use airport facility.

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 from the County Board works with the 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 has had to make adjustments to its operations due to the current economic environment of the State of Illinois and the County. Tax revenues from the State have not yet rebounded to the 2008 levels while other State revenues have been dramatically reduced or significantly delayed. In some cases, the State has shifted its financial responsibilities to local governments. The County's unemployment rate for December, 2010 was 9.8%; down from the 11.2% mark at the end of 2009. Due to its varied industries and its proximity to the St. Louis metropolitan area, the rate was only slightly higher than the State as a whole. The County provides industrial, manufacturing, service and agricultural employment and has a highly skilled workforce. Scott Air Force Base is the largest employer and continues to expand its operations. This expansion has helped the County offset other declines.

There was limited real estate development in the County in 2010. However, the 2010 census indicated a more than expected population growth from 2000. According to the 2010 census, the County's population is 270,056; nearly a 5.5% increase from 2000.

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. Five railroads provide rail freight and passenger service to the area. The Mississippi River provides 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: Downtown St. Louis Parks Airport (Parks) and MidAmerica St. Louis Airport (MidAmerica). Parks is a designated General Aviation Reliever Airport for St. Louis Lambert Field and is the base for several service, maintenance and charter operations. MidAmerica also provides relief services as well as a joint civilian/military runway for larger aircraft: military, passenger, charter, and cargo aircraft. An aircraft maintenance service operation is based at the airport. In 2011, Boeing began certain aircraft parts manufacturing operations. The Illinois State Police also conducts operations at the airport. The Airport

holds a foreign trade zone location designation and has a Customs and Border Patrol facility on site. Concentrated efforts to bring scheduled international cargo flights continue.

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. Scott Air Force Base is adjacent to the MidAmerica St. Louis Airport. Initial plans for the extension of the commuter system to the civilian air terminal have already been developed.

St. Clair County has several institutions of higher education within its borders as well as the exceptional educational opportunities in neighboring St. Louis, including but not limited to Washington University 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 junior college offering various associate degrees while McKendree University, the oldest college in Illinois, and Lindenwood University, offer more advanced degrees.

Long-term Planning

As development continues to expand along the Highway 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. Illinois, Missouri, the U.S. Department of Transportation, St. Clair County, and neighboring counties have come to an agreement on building another bridge across the Mississippi. Leaders continue to work diligently to expand mass transit by securing federal funding for the expansion of the MetroLink mass transit system 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 in part 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 the areas along the river.

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. Once the Department of Defense made its decision not to close the site based on the recommendation by the Base Realignment and Closure Commission (BRAC), military, County and other local leaders continue to work on joint-use planning. Expansion of military activities at the base has already increased significantly with more missions being moved to the base. The construction of nearly 600 new military housing units was completed in 2008 and nearly 1,100 additional personnel have been transferred to the base. The MidAmerica runway extension constructed as part of an agreement to move the Air National Guard Unit to Scott in 2000 and the extension of the Scott runway as part of the original project allow the joint-use facility to support the larger aircraft of military missions.

MidAmerica completed a Customs and Border Patrol facility in early 2007; a new requirement 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. Temporary cargo facilities are currently in place with construction for dry and refrigerated facilities in the planning stages. Efforts to expand international cargo operations continue. Test cargo flights from China and South America have been successful.

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 state revenues and declining other tax revenues 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. As anticipated, interest earnings were down again due to the incredibly low rates and declining cash balances. It is not anticipated that earnings will increase in 2011.

Interest rates and investment earnings also have an impact on the County's plans for acquiring and retiring debt. In July, 2009, the County elected to terminate a forward interest rate exchange agreement (Swap) and take advantage of the lower long-term bond rates by retiring part and refinancing the remaining Airport bonds. Interest savings more than offset the lost earnings on cash reserves used to pay down the debt. The County continues to look at bonding possibilities for needed capital projects in the near future.

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 to help determine funding requirements based on trends in actual claims experience, stop loss coverage, and provision for catastrophic losses.

Insurance costs had been rising significantly each year and the County is in constant review of its coverages and other ways to reduce costs. The insured assets and activities of the County continue to increase thereby increasing the overall insurance exposures for the County again in 2010. General government premiums for general liability, property, and worker's compensation insurance increased from \$1,091,000 in 2009 to \$1,198,000 in 2010. Airport insurance premium expenses fell slightly; \$509,000 in 2009 to \$501,000 in 2010.

Employee medical fund claims and premium costs have seen dramatic changes. In addition to rising medical costs, the number and types of medical incidents affect the annual costs. The 2009 costs were \$10.2 million as opposed to the \$11.4 million in 2010. The County has been evaluating the current and long-term effects of changes in retiree medical benefits as part of new governmental accounting standards. The County began funding, on an actuarially basis, future medical costs for current and future retirees to minimize the cost burdens in later years. The funding requirements include current and prior service costs. This is expected to increase as medical costs and the

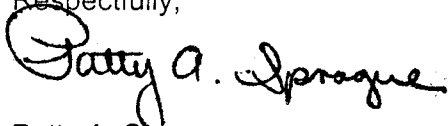
number of retirees increases. In addition, steps have been taken to audit dependant coverage.

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 forty years. The County was slightly overfunded at December 31, 2003 on a cumulative basis but dropped dramatically to an unfunded actuarially determined position of \$6.7 million in 2007, even with increased employer contributions. Since 2007 the unfunded balance continues to grow and was in nearly of \$35 million by the end of 2010 as investment rates plummeted and benefits increased significantly for Special Law Enforcement participants. The County continues to pay its net pension obligation each year as actuarially determined by IMRF. Although the actuarially determined unfunded liability is not recorded as a liability in the financial statements, this underfunded position impacts future contribution rates. Accordingly, IMRF rates for the next several years are anticipated to increase significantly. From 2003 to 2010, the rates have jumped as follows: Regular employees, .96% to 10.86%; SLEP (law enforcement), 12.80% to 20.73%; and ECO (elected officials), 44.31% to 43.66%. Rates for 2011 increased to 11.73%, 20.55% and 39.53% respectively. Pension costs paid by the County for 2010 were \$5.3 million.

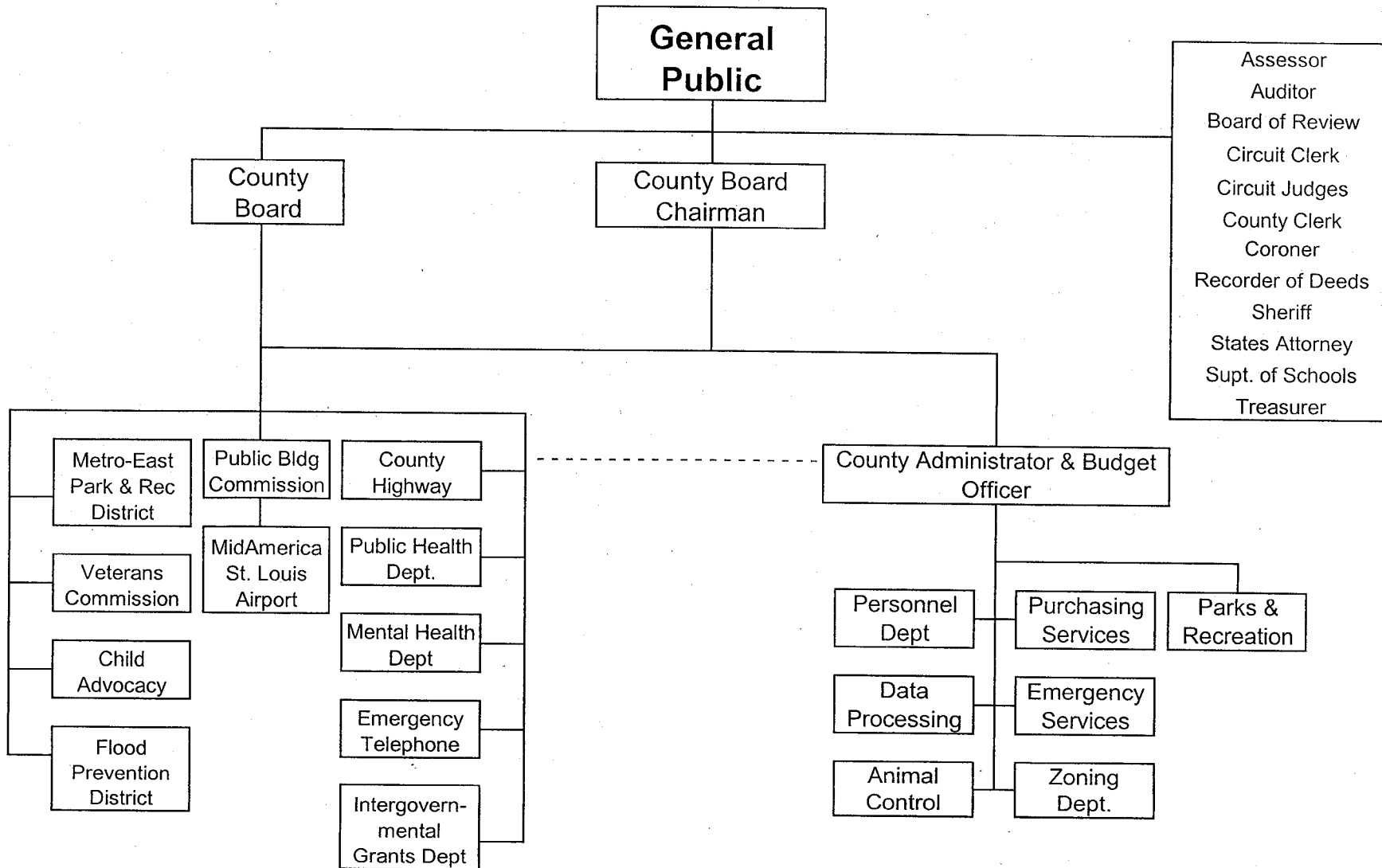
The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the St. Clair County Auditor's office and the Administration. We would like to express our appreciation to those who assisted and contributed to the preparation of this report. 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,

A handwritten signature in cursive script that reads "Patty A. Sprague". The signature is written in dark ink and is positioned above the printed name and title.

Patty A. Sprague
St. Clair County Auditor

St. Clair County, Illinois
Organizational Chart
 December 31, 2010



ST. CLAIR COUNTY, ILLINOIS

Principal Officials

December 31, 2010

County Board Members

Carl A. Gomez
Willie McIntosh
Robert Eastern, Jr.
Lelon R. Seaberry, Sr.
Lonnie Mosley
Roy Mosley, Jr.
Edwin L. Cockrell
Ken Easterley
C. Richard Vernier
Dixie M. Seibert
Jerry Dinges
Patricia Keeley
Stephen Reeb
Larry Stammer

John West
June Chartrand
Curtis Jones
Craig W. Hubbard
C. David Tiedemann
Charles Lee
Frank X. Heiligenstein
Michael O'Donnell
Bill Blair II
Marty Crawford
Jeffery Radford
Michael Crockett Jr.
Kenneth G. Sharkey
Joseph J. Kassly, Jr.
Carol Clark

Other Elected Officials

Mark Kern, County Board Chairman
Bob Delaney, County Clerk
LuAnn Henry, Circuit Clerk
Charles Suarez, County Treasurer
Patty Sprague, County Auditor
Brendan Kelly, State's Attorney
Michael T. Costello, Recorder of Deeds
Rick Stone, County Coroner
Brad Harriman, Regional Supt. of Schools
Mearl J. Justus, Sheriff
Jennifer Gomric-Minton, County Assessor
Claire Prindable, Board of Review
Kevin Malone, Board of Review
Charlotte Moore, Board of Review
John Baricevic, Chief Judge of the Circuit Court

Appointed Officials

Daniel L. Maher, Director of Administration
Kevin Hutchison, Public Health Administrator
Dana Rosenzweig, Executive Director, Mental Health Board
Debra Moore, Director, Intergovernmental Grants
Darrell Cates, Superintendant of Highways
Dave Lang, Director, Data Processing
Tom Maziarz, Manager, Central Services
Betty Martz, Manager, Human Resources
Mike Mitchell, Director, Zoning/Mapping & Platting
Randy Lay, Emergency Services & Disaster Agency
Norman Touchette, Superintendent, Foley Park
Dan McGuire, Director of Buildings

FINANCIAL SECTION



INDEPENDENT AUDITORS 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, each major fund, and the aggregate remaining fund information of St. Clair County, Illinois (County), as of and for the year ended December 31, 2010, which collectively comprise the basic financial statements of the County's primary government as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

The financial statements referred to above include only the primary government of St. Clair County, Illinois, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity. The financial statements do not include financial data for the County's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the County's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of St. Clair County, Illinois, as of December 31, 2010, the changes in its financial position, or, where applicable, its cash flows, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, based on our audit the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the primary government of St. Clair County, Illinois, as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 14, 2011 on our consideration of the County's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information on pages 4 through 15 and A4 through A7 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the St. Clair County, Illinois' financial statements as a whole. The introductory section, Combining and Individual Nonmajor Fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The accompanying Schedule of Passenger Facility Charge Revenues and Expenditures is also presented for purposes of additional analysis as specified in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, and is not a required part of the basic financial statements. The Combining and Individual Nonmajor Fund financial statements, the Schedule of Expenditures of Federal Awards and the Schedule of Passenger Facility Charge Revenues and Expenditures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied by us in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit the information is fairly stated in all material respects in relation to the financial statements as a whole.

Mr. Mark Kern, Chairman
St. Clair County Board
Page 3

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 it.

JW Boyle & Co., Ltd

J.W. Boyle & Co., Ltd.

September 14, 2011

ST. CLAIR COUNTY, ILLINOIS

Management's Discussion and Analysis

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, 2010. 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.

Financial Highlights

- The assets of St. Clair County exceeded its liabilities at the close of the year by \$363,539,000 (net assets). Of this amount, \$91,241,000 is restricted for specific purposes of governmental activities. \$214,341,000 accounts for the net capital assets less related debt.
- The County's total net assets decreased by \$5.3 million. The increase in the net assets of governmental activities was offset by the current operating deficit of the Airport operations.
- The governmental activities posted an increase in net assets of \$2.8 million after a \$4 million transfer to the operations of the Airport.

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 assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 include the MidAmerica St. Louis Airport operations.

The government-wide financial statements do not include the financial information for the County's component units, St. Clair County Intergovernmental Grants Department, the St. Clair County Public Building Commission, or the St. Clair County Flood Prevention District. Audited financial statements for the Intergovernmental Grants Department may be obtained from their administrative offices at 19 Public Square, Belleville, Illinois 62220. The Public Building Commission and the Flood Prevention District's audits are available at their offices at 10 Public Square, Belleville, Illinois 62220.

The government-wide financial statements can be found on pages 16-18 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 38 individual 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 34 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-B16 of this report.

The basic governmental fund financial statements can be found on pages 19-22 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 and unemployment. 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 B17-B20 of this report.

The basic proprietary funds financial statements can be found on pages 23-27 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.

The basic fiduciary fund financial statements can be found on page 28-29 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 on pages 30-61 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning St. Clair County. The County adopts an annual appropriated budget on the cash basis for its governmental funds. Budgetary comparison statements have been provided for the General, the Lease Payable, and the Transportation funds to demonstrate compliance with the budget on pages A5-A7. 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-B22 of this report.

Government-wide Financial Analysis

As noted earlier, net assets 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 \$363,539,000 at the close of 2010.

The governmental activities' assets account for 68% of total assets of the County; 54% of the liabilities; and 74% of net assets. Nearly 58% of total assets are invested in capital assets of which a large portion of the capital assets are attributable to the Airport infrastructure.

St. Clair County's Net Assets (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current assets	\$ 211,882	\$ 212,145	\$ 1,301	7,952	\$ 213,183	\$ 220,097
Restricted assets	-	-	4,215	4,053	4,215	4,053
Capital assets	131,162	129,294	153,645	156,103	284,807	285,397
Other long-term assets	232	232	-	-	232	232
Total assets	343,276	341,671	159,161	168,108	502,437	509,779
Current liabilities	51,963	47,078	1,989	3,616	53,952	50,694
Long-term liabilities	23,008	29,076	61,938	61,212	84,946	90,288
Total liabilities	74,971	76,154	63,927	64,828	138,898	140,982
Net assets:						
Invested in capital assets, net of related debt	107,297	102,998	107,044	110,589	214,341	213,587
Restricted	91,241	92,900	-	-	91,241	92,900
Unrestricted	69,767	69,619	(11,810)	(7,309)	57,957	62,310
Total net assets	\$ 268,305	\$ 265,517	\$ 95,234	\$ 103,280	\$ 363,539	\$ 368,797

Current and restricted assets, comprised predominantly of cash and investments and receivables, decreased \$6.9 million from 2009. Cash and investments fell more than \$5 million as a result of paying debt service, capital improvements and reductions in revenues collected. Taxes receivable decreased \$2 million as the County was able to collect and distribute the 2010 tax collections in a timelier manner. Nearly \$33.6 million in property tax receivables are included in current assets but will not be collected until mid-2011 to finance the 2011/2012 expenditures. Revenue recognition for these receivables has been deferred (included in current liabilities) and not included in the County's net assets. The County holds investments of approximately \$6.8 million of airport funds; \$3.9 million of these funds have been placed as required collateral for bond payments due in 2016 and 2017 and discussed in more detail in the notes to the financial statements. These investments represent reimbursements from a Federal Aviation Administration (FAA) grant that is being set aside for repayment of Airport debt. Another \$20 million of governmental funds has been designated for debt reduction.

The most significant portion of St. Clair County's net assets is its investment in capital assets (e.g., land, buildings, equipment, and infrastructure) less any related 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 2010 included more than \$9 million in capital asset additions; road infrastructure, \$4.7 million; equipment, \$1.1 million; land and buildings, \$.2 million; and \$3 million in work in progress. 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 \$72 million or 55% of the total. 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, 2010, the County maintained 238 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 97% of Airport assets, have been financed with County, state, and federal contributions in addition to over \$70 million in 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.

Long-term debt represents a major component of liabilities (62%) and, for the most part, is a direct result of financing capital asset and improvements and interest accretion on outstanding debt. In 2009, the Airport used most of its restricted assets to reduce certain long-term debt and to restructure much of the remaining bond issue, thereby reducing current obligations significantly in 2009. Other current liabilities 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 assets for both the governmental and business-type activities. The assets of St. Clair County exceeded its liabilities at the close of the year by \$363,539,000 (net assets). Approximately 25% of net assets are restricted for specific use; \$91,241,000 are restricted for specific purposes of governmental activities. The investment in net capital assets less related debt was \$214,341,000 at the end of 2010. Unrestricted net assets were available for general use by the County to meet the County's ongoing general obligations to citizens and creditors.

Net assets of St. Clair County decreased by \$5.3 million during 2010. Governmental activities provided a positive change of \$2.8 million to lessen the effect of a \$8 million reduction from Airport activities. Key elements of the change are as follows:

St. Clair County's Changes in Net Assets
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues:						
Program revenues:						
Charges for services	\$ 25,342	\$ 25,461	\$ 3,166	\$ 2,140	\$ 28,508	\$ 27,601
Operating grants & contributions	18,742	19,054	3,043	2,954	21,785	22,008
Capital grants & contributions	3,430	229	388	747	3,818	976
General revenues:						
Property taxes	33,601	33,245	-	-	33,601	33,245
Other taxes	15,645	14,847	-	-	15,645	14,847
Investment earnings	1,924	2,284	157	220	2,081	2,504
Other	30	(18)	-	16	30	(2)
Total revenues	98,714	95,102	6,754	6,077	105,468	101,179
Expenses:						
General government	21,451	16,133	-	-	21,451	16,133
Public safety	33,139	32,692	-	-	33,139	32,692
Judicial	11,697	11,446	-	-	11,697	11,446
Transportation	10,805	7,101	-	-	10,805	7,101
Public health	14,035	12,067	-	-	14,035	12,067
Interest - long-term debt	802	823	-	-	802	823
Airport operations	-	-	18,797	19,176	18,797	19,176
Total expenses	91,929	80,262	18,797	19,176	110,726	99,438
Increase (decrease) in net assets before transfers	6,785	14,840	(12,043)	(13,099)	(5,258)	1,741
Transfers	(3,997)	(6,919)	3,997	6,919	-	-
Increase (decrease) in net assets	2,788	7,921	(8,046)	(6,180)	(5,258)	1,741
Net assets-beginning	265,517	257,596	103,280	109,460	368,797	367,056
Net assets-ending	\$ 268,305	\$ 265,517	\$ 95,234	\$ 103,280	\$ 363,539	\$ 368,797

Governmental Activities

Total revenues increased by \$3.6 million from 2009. This net increase is due large part to increases of nearly \$3.2 million in federal and state capital programs for energy renovations and transportation projects. Charges for services and operating grants slipped by \$431,000 while investment earnings fell by \$359,000. The continued slide of interest rates and reduced investment balances during 2010 led to the decline.

Property taxes continue to account for approximately 34% of governmental revenues. The County increased its tax rate slightly from .9161 to .9168 for taxes collected in 2010. This increase with the increase in assessed valuations resulted in higher property tax revenues of \$356,000. Other tax revenues had a net increase of \$798,000.

Overall governmental expenses increased approximately \$11,667,000. Employee benefits costs (retirement and medical) increased for all functional areas. The most substantial increase was in General Government expenses. Besides the increases in the employee benefits, the increase of \$5.3 million was also attributable to increases in demolitions, park grants, lease costs, and tort insurance. Transportation expenses

increased by \$3.7 million. These expenses tend to fluctuate with weather and scheduled projects. Public Health expenses rose nearly \$2 million due to increases in vaccinations, food, and other in-kind grants and other demolition costs. Public safety expenses showed an increase of \$447,000 while Judicial expenses increased \$251,000.

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. These include, but are not limited to, fire safety and security, insurance, and runway maintenance. The Airport posted a \$8 million reduction in net assets for 2010; the loss from operations was \$543,000 less in 2010 as the airport was able to reduce certain operating costs.

Net fuel revenues were up \$45,000 in 2010 as well as actual gallons sold. The volatile oil prices continues to cripple most of the transportation industry, significantly reducing the gallons sold to both military and non-military users from the pre-2008 levels. However the activity was significantly better in 2010 than the 2009 levels.

Operating grants were up by \$89,000. State and federal operating grants continued in 2010 supporting the airport master plan project and certain cargo inspection processes. Other contributions supported marketing efforts. Runway improvements were completed in 2010 with financial support of capital grants.

Overall expenses were down approximately \$379,000. Fuel purchases increased \$935,000 while other operating expenses (without regard to depreciation) declined by \$579,000. Financing costs were reduced by \$843,000. Depreciation of \$5.6 million accounted for 29% of Airport expenses.

Interest continues to be a major expense of the Airport. Interest expense was \$4 million in 2010. In July of 2009, the County refinanced the airport bonds paying down accreted interest and some outstanding debt to create the interest saving in 2010. Interest of \$849,000 was accrued as part of the accretion of the capital appreciation bonds and leases and \$2,568,867 was charged for the current interest bonds and other debt. Amortization of \$613,631 in other financing costs was also expensed in 2010.

The County continues to subsidize the Airport through operating transfers from other County funds. These transfers included cash of \$2,549,300 and costs of nearly 1,448,000 million paid on behalf of the Airport. These costs included ADA improvements of \$40,000, personnel benefit costs of \$280,000, insurance of \$593,000, and debt service of \$535,000.

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

unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of 2010, St. Clair County's governmental funds reported combined ending fund balances of approximately \$160 million, an increase of \$209,000 from 2009 after a transfer of nearly \$4 million to the Airport. Approximately \$23 million (14%) constitutes an unrestricted unreserved fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is restricted, reserved, or designated to indicate that it is 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, an unreserved and undesignated fund balance of the General Fund was \$23 million, while the total fund balance was \$51 million. The County has reserved \$7 million to fund certain County construction projects in 2011 and another \$17 million for working cash that approximates six months operating expenses. The remaining \$4 million is restricted for tort liability expenditures as required by state statute.

There was an increase of \$1.6 million in the fund balance of the General Fund. Revenues rose by nearly \$1.8 million and expenditures were reduced by approximately \$1.7 million; the General Fund made \$546,000 fewer transfers to other funds in 2010. Property taxes fell by \$178,000, while state income, personal property tax replacement, and sales tax grew by \$1.6 million. Revenues for licenses and fees went up \$346,000. Revenues from federal and state agencies decreased by \$118,000. Investment earnings were up a slight \$112,000.

The Transportation Fund had a fund balance of \$33 million at the end of 2010. This was down \$1,737,000 from 2009. Revenues and expenditures fluctuate from year to year due to construction projects and participation by federal, state, and other local units. Revenues declined more than \$3 million, most of which was from a state contribution on a highway project, while expenditures were down \$1.3 million. Transfers of \$3,466,000 were made to the debt service fund during the year to fund principal and interest payments on the outstanding 2005 highway construction bonds.

The Lease Payable fund balance decreased also by \$118,000. Property taxes increased \$16,000 while investment earnings decreased by \$33,000 and other revenues were down by \$24,000. Taxes are levied to fund capital lease payment requirements, operations, and maintenance on certain County owned property. Expenditures and transfers increased \$100,000.

The Debt Service Fund had little activity in 2010. Revenues, consisting primarily of investment earnings, declined by \$91,000. Debt service payments increased by \$1,545,000 and offset by the transfer-in for the Highway Revenue bonds.

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. The net result from these activities was a net loss of \$2,528,000 compared to a loss of \$1,159,000 in 2009. Premiums charged were less by \$538,000 from 2009 while insurance premiums, claims and administrative costs raised \$798,000.

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 \$2.3 million. Property taxes were lower than budgeted by \$2,752,000. Investment earnings were \$5,000 less than expected. General licenses, fines and fees, revenues from other agencies and miscellaneous revenues were \$866,000 more. State income, personal property replacement, and sales taxes were less than expected by \$386,000.

As in prior years, the most significant variance in the General Fund is in general government expenditures. This difference of \$22 million relates predominantly in the Capital Replacement (\$15,748,000) and Tort (\$3,010,000) areas. The County budgeted the Capital Replacement Fund to fund possible Airport and jail expansions from fund balances. Self-insurance budgets anticipate 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 2010 was \$284,807,000, 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	
	2010	2009	2010	2009	2010	2009
Land and improvements	\$ 10,508	\$ 10,468	\$ 43,484	\$ 43,550	\$ 53,992	\$ 54,018
Buildings & support facilities	30,641	29,737	24,152	24,959	54,793	54,696
Construction in progress	7,020	6,951	2,588	-	9,608	6,951
Machinery and equipment	15,931	10,045	7,095	7,615	23,026	17,660
Projects in progress	86	7,102	-	303	86	7,405
Infrastructure-highway	61,658	57,574	-	-	61,658	57,574
Infrastructure-airport	-	-	76,326	79,676	76,326	79,676
Infrastructure in progress	5,318	7,417	-	-	5,318	7,417
Total	\$ 131,162	\$ 129,294	\$ 153,645	\$ 156,103	\$ 284,807	\$ 285,397

As part of a five year plan to repair and upgrade many of the aging facilities and to extensively renovate space purchased at the end of 2005, the County expended in excess of \$2.8 million in 2010 as it neared completion of most of the planned renovations. Additional projects were added during 2010 related to improvements required by the Department of Justice under the ADA regulations. The County completed various projects including chiller/boiler replacements, exterior waterproofing, fire alarm/mass communication systems and office and courtroom renovations. Construction in progress at the end of 2010 was \$7 million and included remodeling and improvements costs for the various County buildings, jail, and park facilities. It also included \$1.5 million of extensive energy improvements to County buildings that are being funded by a \$2.3 million federal energy grant.

With the growth in the County, the Highway Department is constantly improving the road system. Major road improvements continued in 2010. Projects underway at the end of the year were \$5.3 million while the County completed \$6.8 million in road improvements.

The Airport made several investments in equipment and improvements during 2010 including renovations of \$2.6 million for a new tenant. Minor ADA building improvements were made while \$309,000 was spent for certain maintenance equipment. Runway improvements totaling \$515,000 started in 2009 were completed. Depreciation expense for 2010 was \$5.6 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 was reduced by \$4,121,000 from 2009. At the end of the year, St. Clair County had outstanding long-term debt in the amount of \$89,880,000. Of the total, 70% of the debt was from the Airport activities.

St. Clair County's Long-term Obligations (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Capital lease obligations	\$ 12,515	\$ 14,802	\$ 11,690	\$ 11,533	\$ 24,205	\$ 26,335
Revenue bonds	12,448	13,726	-	-	12,448	13,726
Certificates of participation	-	-	685	1,000	685	1,000
General obligation bonds	-	-	44,562	43,791	44,562	43,791
Notes payable	-	-	-	1,155	-	1,155
Due to Public Building Commission	-	-	5,876	5,738	5,876	5,738
Rent credits	563	751	-	-	563	751
Insurance claims	1,541	1,505	-	-	1,541	1,505
Total	\$ 27,067	\$ 30,784	\$ 62,813	\$ 63,217	\$ 89,880	\$ 94,001

Governmental Activities

Long-term obligations for governmental activities decreased by \$3,717,000, stemming in large part to the increased principal payments. The estimated long-term insurance

claims increased by \$36,000. Rent credits continue to be amortized through 2013. The Lease Payable fund is servicing capital lease obligation debt for County office buildings, animal control facilities, and public safety facilities. Principal reductions of \$2,550,000 were offset by interest accretion of \$263,000. Highway funds were used to make principal payments of \$1,245,000 on Highway revenue bonds reducing the recorded debt by \$1,278,090 after amortization charges. Changes are discussed in more detail in the notes to the financial statements.

Business-type Activities

The majority (70%) of the debt of the County relates to the Airport activities. The Airport made principal payments of \$315,000 on its certificates of participation debt and \$1,155,000 on its outstanding note payable. In July of 2009, the County refinanced certain airport bonds to reduce the future debt service requirements and take advantage of lower interest rates being offered. There was no principal payment made in 2010 on the new current interest bonds. Accretion of interest on the general obligation capital appreciation bonds was \$157,000 with net amortization costs of \$614,000. Certain capital lease obligations were reduced by \$535,000 (funded by the Lease Payable Fund); however, interest accretion resulted in a net increase in lease obligations by nearly \$157,000. The Public Building Commission advanced the Airport operating funds in the amount of \$139,000 in 2010.

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

- Reductions in the assessed valuation are anticipated as the economy continues to slow.
- Growth at Scott Air Force Base has increased the need for changes in government facilities and infrastructure.
- Investment earnings are not likely to increase in the near future.
- Retirement rates for the Illinois Municipal Retirement Fund will increase again in 2011 and significant increases are anticipated for 2012.
- Public safety salaries and benefit costs continue to rise significantly.
- Tort insurance rates have stabilized however medical costs continue to rise and the effect of the federal healthcare plan is still unclear.
- State of Illinois budget deficits are affecting state funding.
- The airline industry continues to be slow for both passenger and cargo activity.

These factors were considered in preparing St. Clair County's budget for 2011.

The unreserved fund balance of the County has been sufficient to weather the economic down turn of the past several years. With little improvement in the economy, management anticipates that the County will be able to maintain most services for the near term while maintaining the current property tax rates. However, it is anticipated that the County will need to make budgetary cuts 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 Assets
December 31, 2010

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash	\$ 4,027,385	\$ 304,458	\$ 4,331,843
Equity in cash and investment pool	158,474,453	2,695,423	161,169,876
Funds held in trust	-	28,763	28,763
Accounts receivable	11,485,144	164,462	11,649,606
Taxes receivable (net)	33,625,065	-	33,625,065
Interest receivable	215,542	6,759	222,301
Internal balances	2,303,973	(2,303,973)	-
Inventory	284,189	405,285	689,474
Prepaid expenditures	1,465,728	-	1,465,728
Total current assets	<u>211,881,479</u>	<u>1,301,177</u>	<u>213,182,656</u>
Restricted assets			
Equity in cash and investment pool	-	246,962	246,962
Funds held in trust	-	3,935,537	3,935,537
Interest receivable	-	32,579	32,579
Deposits	-	62	62
Total restricted assets	<u>-</u>	<u>4,215,140</u>	<u>4,215,140</u>
Noncurrent assets			
Advances to Public Building Commission	232,654	-	232,654
Fixed assets	131,161,812	153,644,833	284,806,645
Total noncurrent assets	<u>131,394,466</u>	<u>153,644,833</u>	<u>285,039,299</u>
Total assets	<u>343,275,945</u>	<u>159,161,150</u>	<u>502,437,095</u>

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Statement of Net Assets
(continued)
December 31, 2010

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities			
Accounts payable	\$ 3,127,372	\$ 316,528	\$ 3,443,900
Accrued salaries	2,002,149	56,989	2,059,138
Accrued payroll related costs	3,634,640	86,925	3,721,565
Accrued interest	339,905	636,198	976,103
Funds held in escrow	916,192	16,986	933,178
Insurance claims	3,311,626	-	3,311,626
Deferred income, taxes and related fees	34,571,760	-	34,571,760
Revenue bonds-current	1,295,000	-	1,295,000
Certificates of participation - current	-	335,000	335,000
Obligations under capital lease - current	2,560,000	540,000	3,100,000
Rent credits - current	204,010	-	204,010
Total current liabilities	<u>51,962,654</u>	<u>1,988,626</u>	<u>53,951,280</u>
Noncurrent liabilities			
Due to Public Building Commission	-	5,876,611	5,876,611
General obligation bonds payable	-	44,561,952	44,561,952
Revenue bonds	11,153,221	-	11,153,221
Certificates of participation	-	350,000	350,000
Obligations under capital lease	9,954,560	11,149,796	21,104,356
Rent credits	359,379	-	359,379
Insurance claims	1,540,500	-	1,540,500
Total noncurrent liabilities	<u>23,007,660</u>	<u>61,938,359</u>	<u>84,946,019</u>
Total liabilities	<u>74,970,314</u>	<u>63,926,985</u>	<u>138,897,299</u>
NET ASSETS			
Net assets invested in capital assets -			
net of related debt	107,296,886	107,043,726	214,340,612
Restricted net assets	91,241,360	-	91,241,360
Unrestricted net assets	69,767,385	(11,809,561)	57,957,824
Total net assets	<u>\$ 268,305,631</u>	<u>\$ 95,234,165</u>	<u>\$ 363,539,796</u>

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Statement of Activities
For the year ended December 31, 2010

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Goods and Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
General government	\$ 21,450,750	\$ 8,533,133	\$ 1,940,823	\$1,535,243	\$ (9,441,551)	\$ -	\$ (9,441,551)
Public safety	33,139,095	6,251,018	3,323,960	22,934	(23,541,183)	-	(23,541,183)
Judicial	11,696,732	8,488,729	1,075,554	-	(2,132,449)	-	(2,132,449)
Transportation	10,805,360	173,595	5,056,400	1,871,425	(3,703,940)	-	(3,703,940)
Public health	14,034,566	1,895,253	7,345,533	-	(4,793,780)	-	(4,793,780)
Unallocated interest	801,876	-	-	-	(801,876)	-	(801,876)
Total governmental activities	91,928,379	25,341,728	18,742,270	3,429,602	(44,414,779)	-	(44,414,779)
Business-type activities							
Airport	18,796,816	3,165,932	3,042,979	388,447	-	(12,199,458)	(12,199,458)
Total	<u>\$110,725,195</u>	<u>\$28,507,660</u>	<u>\$21,785,249</u>	<u>\$3,818,049</u>	<u>(44,414,779)</u>	<u>(12,199,458)</u>	<u>(56,614,237)</u>
General revenues							
Taxes							
Property taxes					33,600,970	-	33,600,970
Sales taxes					8,593,633	-	8,593,633
Personal property replacement tax					2,542,983	-	2,542,983
State income tax					4,380,405	-	4,380,405
Hotel/motel tax					14,204	-	14,204
Pari-mutual tax					113,669	-	113,669
Unrestricted investment earnings					1,924,306	156,848	2,081,154
Miscellaneous					16,327	-	16,327
Gain (loss) on disposal of assets					13,504	-	13,504
Transfers					(3,997,218)	3,997,218	-
Total general revenues and transfers					<u>47,202,783</u>	<u>4,154,066</u>	<u>51,356,849</u>
Change in net assets					2,788,004	(8,045,392)	(5,257,388)
Net assets - beginning					<u>265,517,627</u>	<u>103,279,557</u>	<u>368,797,184</u>
Net assets - ending					<u>\$ 268,305,631</u>	<u>\$ 95,234,165</u>	<u>\$ 363,539,796</u>

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Balance Sheet
Governmental Funds
December 31, 2010

	General	Transportation Fund	Lease Payable Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	\$ 2,800,812	\$ 667	\$ 303	\$ -	\$ 1,225,578	\$ 4,027,360
Equity in cash and investment pool	46,240,846	33,918,206	8,599,464	22,492,499	42,645,124	153,896,139
Accounts receivable	3,529,847	300,807	-	-	3,432,651	7,263,305
Taxes receivable	8,325,578	4,966,005	9,051,774	-	11,281,708	33,625,065
Interest receivable	65,072	45,523	12,280	27,967	55,943	206,785
Internal balances	2,881,849	112,771	-	-	706,049	3,700,669
Prepaid expenditures	1,281,809	-	164,250	-	19,669	1,465,728
Advance to Public Building Commission	-	-	232,654	-	-	232,654
	<u>\$ 65,125,813</u>	<u>\$ 39,343,979</u>	<u>\$ 18,060,725</u>	<u>\$ 22,520,466</u>	<u>\$ 59,366,722</u>	<u>\$ 204,417,705</u>
LIABILITIES AND FUND BALANCE						
Liabilities						
Accounts payable	\$ 1,029,114	\$ 1,011,699	\$ -	\$ -	\$ 1,086,559	\$ 3,127,372
Accrued salaries	1,373,245	122,783	-	-	500,447	1,996,475
Accrued payroll related costs	-	-	-	-	476,369	476,369
Internal balances	408,528	-	-	-	987,075	1,395,603
Funds held in escrow	916,192	-	-	-	-	916,192
Other liabilities	1,906,263	-	-	-	-	1,906,263
Deferred income	8,619,920	4,966,005	9,051,774	-	11,887,085	34,524,784
Total liabilities	<u>14,253,262</u>	<u>6,100,487</u>	<u>9,051,774</u>	<u>-</u>	<u>14,937,535</u>	<u>44,343,058</u>
Fund balances						
Restricted	3,819,128	33,243,492	9,008,951	2,047,202	44,429,187	92,547,960
Unrestricted						
Reserved	24,469,036	-	-	-	-	24,469,036
Designated for debt service	-	-	-	20,473,264	-	20,473,264
Unreserved	22,584,387	-	-	-	-	22,584,387
Total fund balances	<u>50,872,551</u>	<u>33,243,492</u>	<u>9,008,951</u>	<u>22,520,466</u>	<u>44,429,187</u>	<u>160,074,647</u>
Total liabilities and fund balances	<u>\$ 65,125,813</u>	<u>\$ 39,343,979</u>	<u>\$ 18,060,725</u>	<u>\$ 22,520,466</u>	<u>\$ 59,366,722</u>	<u>\$ 204,417,705</u>

ST. CLAIR COUNTY, ILLINOIS
Reconciliation of Balance Sheet of Governmental Funds to
the Statement of Net Assets
December 31, 2010

Total fund balances for governmental funds	\$ 160,074,647
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Total net assets reported for governmental activities in the statement of net assets is different because:

Inventories reported under the purchase method for the funds statements have been recognized under the consumption method for government-wide reporting.	284,189
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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.	3,995,121
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land and buildings, net of accumulated depreciation	\$ 36,009,450	
Machinery and equipment, net of accumulated depreciation	15,931,151	
Infrastructure, net of accumulated depreciation	72,115,733	
Construction and projects in process	<u>7,105,478</u>	
Total capital assets		131,161,812

Internal service funds are used by the County to account for the financing of 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 services funds are included in governmental activities in the statement of net assets. Internal service funds net assets are:	3,326,964
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Long-term liabilities 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 assets.

Balances at December 31, 2010 are:

Rent credits	\$ (563,389)	
Insurance claims	(1,540,500)	
Compensated absences	(3,130,527)	
Accrued interest on debt	(339,905)	
Capital leases	(12,514,560)	
Bonds payable	<u>(12,448,221)</u>	
Total long-term liabilities		<u>(30,537,102)</u>

Total net assets of governmental activities	\$ <u>268,305,631</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, 2010

	General	Transportation Fund	Lease Payable Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 8,330,700	\$ 4,962,597	\$ 9,040,531	\$ 86	\$ 11,267,056	\$ 33,600,970
Revenue from federal/state agencies	1,058,406	-	-	-	8,804,352	9,862,758
Earnings on investments	1,337,252	177,467	46,808	107,960	218,914	1,888,401
Licenses, permits, fines, fees and services	13,922,425	20,410	-	-	7,872,110	21,814,945
State income tax	4,687,652	-	-	-	-	4,687,652
Personal property replacement tax	2,542,983	-	-	-	-	2,542,983
Revenue from local agencies	360,701	425,520	20,410	-	2,984,492	3,791,123
Sales tax	8,560,865	-	-	-	-	8,560,865
Motor fuel tax	-	5,056,400	-	-	-	5,056,400
Hotel/motel tax	-	-	-	-	14,204	14,204
Pari-mutual tax	113,669	-	-	-	-	113,669
Miscellaneous revenues	18,264	-	-	-	11,544	29,808
	<u>40,932,917</u>	<u>10,642,394</u>	<u>9,107,749</u>	<u>108,046</u>	<u>31,172,672</u>	<u>91,963,778</u>
EXPENDITURES						
Current						
General government	17,562,361	-	4,400,026	-	10,666,083	32,628,470
Public safety	12,522,941	-	-	-	8,260,431	20,783,372
Judicial	4,907,404	-	-	-	2,155,346	7,062,750
Transportation	-	3,915,086	-	-	-	3,915,086
Public health	71,934	-	-	-	10,863,752	10,935,686
Capital outlay						
General government	12,219	-	1,253,588	-	16,320	1,282,127
Public safety	598,389	-	-	-	541,386	1,139,775
Judicial	-	-	-	-	27,401	27,401
Transportation	-	4,998,521	-	-	-	4,998,521
Debt service						
General government	-	-	3,036,863	-	-	3,036,863
Public safety	-	-	-	-	77,125	77,125
Transportation	-	-	-	1,870,400	-	1,870,400
	<u>35,675,248</u>	<u>8,913,607</u>	<u>8,690,477</u>	<u>1,870,400</u>	<u>32,607,844</u>	<u>87,757,576</u>
Excess of revenues over (under) expenditures	<u>5,257,669</u>	<u>1,728,787</u>	<u>417,272</u>	<u>(1,762,354)</u>	<u>(1,435,172)</u>	<u>4,206,202</u>
Other financing sources (uses):						
Operating transfers-in	138,050	-	-	3,465,650	595,332	4,199,032
Operating transfers-out	(3,831,135)	(3,465,650)	(535,000)	-	(364,465)	(8,196,250)
Total other financing sources (uses)	<u>(3,693,085)</u>	<u>(3,465,650)</u>	<u>(535,000)</u>	<u>3,465,650</u>	<u>230,867</u>	<u>(3,997,218)</u>
Net changes in fund balances	1,564,584	(1,736,863)	(117,728)	1,703,296	(1,204,305)	208,984
Beginning fund balances	49,307,967	34,980,355	9,126,679	20,817,170	45,633,492	159,865,663
Ending fund balances	<u>\$ 50,872,551</u>	<u>\$ 33,243,492</u>	<u>\$ 9,008,951</u>	<u>\$ 22,520,466</u>	<u>\$ 44,429,187</u>	<u>\$ 160,074,647</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, 2010

Net change in fund balances - total governmental funds \$ 208,984

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.

Capital outlay expenditures capitalized		
Land, buildings, and equipment	\$ 4,245,401	
Infrastructure	<u>4,715,274</u>	8,960,675
Depreciation expense in the current period		
Land, buildings, and equipment	\$ (4,403,484)	
Infrastructure	<u>(2,708,033)</u>	(7,111,517)
Net effect of disposal transactions		18,773

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in accounts receivable	(41,851)
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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 assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments on capital lease obligations	\$ 2,550,000	
Amortization of bond costs and premiums	33,090	
Accreted interest on capital lease obligations	(262,583)	
Principal payments on bonds	1,245,000	
Change in accrued interest	25,817	
Amortization of rent credits	<u>187,901</u>	3,779,225

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.

Change in long-term insurance claims	(35,945)
Change in compensated absences	(384,779)

Net change in inventories reported under the purchase method for the fund statements have been recognized under the consumption method for government-wide reporting.

(100,585)

Internal service funds are used by management to charge the costs of certain insurance activities to individual funds. The net revenue of certain internal service funds is reported with governmental activities

(2,504,976)

Changes in net assets of governmental activities

\$ 2,788,004

See Note 9 for further explanation of reclassifications and adjustments.

ST. CLAIR COUNTY, ILLINOIS
Statement of Fund Net Assets
Proprietary Funds
December 31, 2010

	Business-type Activities <u>Enterprise Fund</u> MidAmerica St. Louis Airport	Governmental Activities <u>Internal</u> Service Funds
ASSETS		
Current assets		
Cash	\$ 304,458	\$ 25
Equity in cash and investment pool	2,695,423	4,578,314
Funds held in trust	28,763	-
Accounts receivable	164,460	256,186
Interest receivable	6,759	8,757
Internal balances	(2,303,973)	6,970
Inventory	405,287	-
Total current assets	<u>1,301,177</u>	<u>4,850,252</u>
Restricted assets		
Equity in investment pool	246,962	-
Funds held in trust	3,935,537	-
Interest receivable	32,579	-
Deposits	62	-
Total restricted assets	<u>4,215,140</u>	<u>-</u>
Noncurrent assets		
Capital assets	153,644,833	-
Total assets	<u>159,161,150</u>	<u>4,850,252</u>
LIABILITIES		
Current liabilities		
Accounts payable	316,528	-
Accrued salaries	56,989	5,674
Accrued payroll related costs	86,925	27,744
Accrued interest	636,198	-
Internal balances	-	11,695
Other liabilities	-	1,405,363
Deferred income	-	76,444
Funds held in escrow	16,986	-
Certificates of participation - current	335,000	-
Obligations under capital lease - current	540,000	-
Total current liabilities	<u>1,988,626</u>	<u>1,526,920</u>

ST. CLAIR COUNTY, ILLINOIS
Statement of Fund Net Assets
Proprietary Funds
(continued)
December 31, 2010

	Business-type Activities	Governmental Activities
	Enterprise Fund MidAmerica St. Louis Airport	Internal Service Funds
Noncurrent liabilities		
Due to Public Building Commission	\$ 5,876,611	\$ -
General obligation bonds payable	44,561,952	-
Certificates of participation	350,000	-
Obligations under capital lease	11,149,796	-
Total noncurrent liabilities	61,938,359	-
Total liabilities	63,926,985	1,526,920
NET ASSETS		
Net assets invested in capital assets, net of related debt	107,043,726	-
Unrestricted net assets	(11,805,929)	3,323,332
Total net assets	95,237,797	\$ 3,323,332
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise fund	(3,632)	
Net assets of business-type activities	\$ 95,234,165	

ST. CLAIR COUNTY, ILLINOIS
Statement of Revenues, Expenses,
and Changes in Fund Net Assets
Proprietary Funds
For the year ended December 31, 2010

	Business-type Activities <u>Enterprise Fund</u> MidAmerica St. Louis Airport	Governmental Activities <u>Internal</u> Service Funds
CHARGES FOR GOODS AND SERVICES		
Landing fees and terminal area use charges (less discounts of \$6,994)	\$ 51,299	\$ -
Rents, concessions and other services	87,444	-
Other	8,224	3,803
Fuel sales (less costs of \$2,286,070)	303,129	-
Insurance premiums	-	9,062,337
Total operating revenues	<u>450,096</u>	<u>9,066,140</u>
OPERATING EXPENSES		
Operating expenses	6,755,263	461,260
Insurance claims and premiums	-	10,880,520
Post-employment benefit contribution	-	289,172
Depreciation and amortization	5,626,381	-
Total operating expenses	<u>12,381,644</u>	<u>11,630,952</u>
Operating income (loss)	<u>(11,931,548)</u>	<u>(2,564,812)</u>
NONOPERATING REVENUES (EXPENSES)		
Investment earnings	156,848	36,460
Interest expense	(4,031,217)	-
Intergovernmental revenues	3,042,979	-
Land leases (net of expenses)	355,257	-
Total nonoperating expenses	<u>(476,133)</u>	<u>36,460</u>
Net income (loss)	(12,407,681)	(2,528,352)
Transfers-in	3,997,218	-
Capital contributions	388,447	-
Change in net assets	<u>(8,022,016)</u>	<u>(2,528,352)</u>
Net assets - beginning of year	<u>103,259,813</u>	<u>5,851,684</u>
Net assets - end of year	<u>95,237,797</u>	<u>\$ 3,323,332</u>
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise fund	<u>(3,632)</u>	
Net assets - business-type activities	<u>\$ 95,234,165</u>	

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Statement of Cash Flows
Proprietary Funds
For the year ended December 31, 2010

	Business-type Activities	Governmental Activities
	Enterprise Fund MidAmerica St. Louis Airport	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments from customers	\$ 2,733,524	\$ 1,337,448
Payments from interfund services provided	-	7,666,303
Payments to vendors	(4,219,757)	(11,101,600)
Payments to employees	(858,487)	(146,914)
Net cash provided (used) by operating activities	<u>(2,344,720)</u>	<u>(2,244,763)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Repayments to affiliates	(13,360)	-
Note payments	(1,155,000)	-
Transfers from general fund	2,549,300	-
Net cash provided (used) by non-capital financing activities	<u>1,380,940</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on certificates of participation	(315,000)	-
Capital grant contributions	633,745	-
Interest paid	(2,597,109)	-
Passenger facility charges	367	-
Equipment expenditures	(675,292)	-
Net cash provided (used) by capital and related financing activities	<u>(2,953,289)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment interest	852	39,683
Redemption of investments	3,698,392	2,205,080
Non-aeronautical leases	346,582	-
Net cash provided (used) by investing activities	<u>4,045,826</u>	<u>2,244,763</u>
Net increase (decrease) in cash and cash equivalents	128,757	-
Cash and cash equivalents - beginning of year	<u>175,701</u>	<u>25</u>
Cash and cash equivalents - end of year	<u>\$ 304,458</u>	<u>\$ 25</u>

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Statement of Cash Flows
Proprietary Funds
(continued)
For the year ended December 31, 2010

	Business-type Activities	Governmental Activities
	Enterprise Fund	Internal
	MidAmerica	Service
	St. Louis Airport	Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH		
PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (11,931,548)	\$ (2,564,812)
Adjustments to reconcile		
Depreciation and amortization	5,626,381	-
Operating costs paid by capital contributions	3,627,817	-
Operating costs paid by operating grants	205,309	-
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	(8,057)	(204,196)
Decrease (increase) in inventory	(20,251)	-
Decrease (increase) in prepaid expenditures	30,860	-
Decrease (increase) in due from other funds	-	(963)
Increase (decrease) in advance to Public Building		
Commission	68,634	-
Increase (decrease) in accounts payable	23,840	-
Increase (decrease) in accrued wages and related costs	35,218	(107,311)
Increase (decrease) in other liabilities	-	654,663
Increase (decrease) in funds held in escrow	(868)	-
Increase (decrease) in deferred income	(2,055)	(23,797)
Increase (decrease) in due to other funds	-	1,653
Net cash provided (used) by operating activities	<u>\$ (2,344,720)</u>	<u>\$ (2,244,763)</u>

SCHEDULE OF NON-CASH FINANCING AND INVESTING ACTIVITIES

Interest accreted on bonds and leases (net of amortization)	\$ 1,462,350	\$ -
Capital contributions		
Capital assets	122,770	-
Capital lease principal and interest	574,778	-
Capital grants	388,452	
Construction payments made by the Public Building Commission		
for the Airport	70,121	-
Construction payments made by the General Fund		
for the Airport	2,438,958	-
Decrease in market value of investments	1,200	300

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Statement of Net Assets
Fiduciary Funds
December 31, 2010

	Agency Funds	Post- Employment Health Insurance Trust
ASSETS		
Cash	\$ 3,225,856	\$ -
Investments	1,357,141	897,130
Equity in cash and investment pool	5,040,650	289,982
Accounts receivable	1,474,574	-
Interest receivable	<u>11,288</u>	<u>3,489</u>
Total assets	<u>11,109,509</u>	<u>1,190,601</u>
LIABILITIES		
Accounts payable	45,990	-
Due to taxing districts	492,412	-
Held pending protested tax settlement	2,600,365	-
Funds held in escrow	<u>7,970,742</u>	<u>-</u>
Total liabilities	<u>11,109,509</u>	<u>-</u>
NET ASSETS		
Held in trust for OPEB	<u>\$ -</u>	<u>\$ 1,190,601</u>

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the year ended December 31, 2010

	Post- Employment Health Insurance Trust
ADDITIONS	
Contributions	
Employer	\$ 289,172
Total contributions	<u>289,172</u>
Investment income	
Interest, dividends and other investment earnings	15,733
Net appreciation in fair value of assets	<u>40,370</u>
Total investment earnings	56,103
Less investment expense	<u>5,518</u>
Net investment earnings	<u>50,585</u>
Total additions	<u>339,757</u>
DEDUCTIONS	
Benefits	<u>-</u>
Total deductions	<u>-</u>
Change in net assets	<u>339,757</u>
Net assets held in trust for OPEB. January 1, 2010	<u>850,844</u>
Net assets held in trust for OPEB. December 31, 2010	<u><u>\$ 1,190,601</u></u>

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financial Statements
December 31, 2010

1. Summary of significant accounting policies

Reporting Entity

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, the Public Building Commission, the Intergovernmental Grants Department, and the Flood Prevention District are component units and should be included as part of the government-wide financial statements of St. Clair County (the County). The County has elected to issue separate audited financial statements on those entities and those statements may be obtained at the County Board Office. A summary of financial information for the year for the Public Building Commission, the Intergovernmental Grants Department and the Flood Prevention District have been provided in footnotes 14, 15 and 16, respectively.

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of St. Clair 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 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.

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.

ST. CLAIR COUNTY, ILLINOIS
Notes to the financial statements (continued)

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, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. 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.

St. Clair 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 designated to finance specific functions or activities of the County.
- Debt Service Fund accounts for the accumulation of resources for and 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 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.
- The 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.

ST. CLAIR COUNTY, ILLINOIS
Notes to the financial statements (continued)

St. Clair 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 on 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 general obligation of governmental funds and funds reserved for enterprise fund long-term obligations.

St. Clair County reports the following major proprietary fund:

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. 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

ST. CLAIR COUNTY, ILLINOIS
Notes to the financial statements (continued)

and judgments, 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. St. Clair County has elected not to follow subsequent private-sector guidance.

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 modified 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 reappropriation in the ensuing years. Budgets for the enterprise fund and grant funds are flexible and are generally dependent on the 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 financial statements (continued)

Deposits and investments

The County maintains and controls a cash and investment pool in which the primary government's funds share. Each fund's portion of the pool is displayed on its balance sheet as "Equity in cash and investment pool." In addition, non-pooled cash and investments are separately held and reflected in their respective funds as "Cash" and "Investments." Investments are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the 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.

For the purpose of the statements of cash flows, only non-invested cash is considered cash and cash equivalents.

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 2009 property taxes were payable on July 14, 2010 and September 8, 2010 and recognized as revenue in 2010.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "Due to/from other funds" 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 County uses the purchase method for inventory whereby the cost is recorded as an expenditure at the time the inventory is purchased rather than consumed in the governmental funds' 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 first-in, first-out method.

ST. CLAIR COUNTY, ILLINOIS
Notes to the financial statements (continued)

Prepaid expenditures 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 generally offset by a fund balance reserve account that indicates that they do not constitute "available, spendable resources" in the governmental fund financial statements. Prepaid insurance costs and rents are included in restricted net assets.

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.

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 system	25 years
Equipment	5-20 years
Office equipment	3-10 years

Bond issuance costs and capitalized interest

Bond issuance costs and bond discounts are deferred and amortized over the life of the related debt, except in the case of refunding debt transactions where the amortized period is over the term of the refunding or refunded debt, whichever is shorter. Bond issuance costs for the initial land acquisitions and construction were allocated to a project cost. These costs are being amortized over the depreciable life of the related assets on a straight-line basis.

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.

ST. CLAIR COUNTY, ILLINOIS
Notes to the financial statements (continued)

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. 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.

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, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable premiums, discounts or issuance costs and amortized over the term of the debt.

Fund equity

In the fund financial statements, governmental funds report restrictions or reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. When both restricted and unrestricted resources are available for use, it is the County's policy to use the restricted funds first and then unrestricted resources as needed.

2. Cash deposits and investments

The County maintains a cash and investment pool that is available for use by all funds. Earnings from the pooled accounts are allocated monthly to each participating fund based on a formula that takes into consideration each fund's average daily balance in the pool. 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 Statement of Net Assets	Fiduciary Funds Statement of Net Assets	Total
Cash	\$ 4,331,843	\$ 3,225,856	\$ 7,557,699
Investments	-	2,254,271	2,254,271
Pooled cash and investments	161,416,838	5,330,632	166,747,470
	<u>\$ 165,748,681</u>	<u>\$ 10,810,759</u>	<u>\$ 176,559,440</u>

ST. CLAIR COUNTY, ILLINOIS
Notes to the financial statements (continued)

Of the total cash and investments, cash deposits are \$19,831,151 while investments account for \$156,728,289 of the total. Investments, pooled and non-pooled, held by the County are summarized below:

	Fair Value	Maturity
Certificates of deposit - non-negotiable	\$ 62,318,067	0 – 6 mos
Certificates of deposit - non-negotiable	717,081	6 – 12 mos
Repurchase agreements	1,035,000	current
Money markets	532,691	current
Investments held by brokers/dealers:		
Certificates of deposit - negotiable	6,881,697	0 – 6 mos
Certificates of deposit - negotiable	3,169,047	6 – 12 mos
Certificates of deposit - negotiable	2,660,987	1 – 3 years
Money market	54,025	current
Money market - government funds	543,992	current
U.S. Government obligations	33,298,625	0 – 6 mos
U.S. Government obligations	10,453,590	6 – 12 mos
U.S. Government obligations	3,210,333	1 – 3 years
U.S. Government obligations	22,120,999	3 – 5 years
TLGB bonds	2,955,992	1 – 3 years
Investments in Illinois Funds Investment Pool	5,878,833	current
	<u>\$ 155,830,959</u>	
Restricted investments		
U.S. Government obligations	25,086	1 – 3 years
U.S. Government obligations	373,195	3 – 5 years
U.S. Treasury mutual fund	136,397	current
Equity securities	342,995	current
Mutual funds	14,444	current
International equities	5,213	current
	<u>\$ 897,330</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.

ST. CLAIR COUNTY, ILLINOIS
Notes to the financial statements (continued)

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 were with the following institutions: \$ 15,873,815 in Bank of Edwardsville, \$17,068,098 in Citizen's Bank, and \$9,184,731 in Bank of O'Fallon,

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, 2010, \$414,998 of the County's bank balances of \$104,199,365 were uninsured and uncollateralized by specific securities or letters of credit.

It is the County's policy generally to hold investments until maturity; accordingly there are no realized gains or losses recognized.

3. Receivables

Account receivable consists of the following:

Governmental funds	
Sales, income, motor fuel & other tax revenue	4,914,986
Service and fee revenues	1,823,976
Other	568,203
Grant and intergovernmental revenues	4,094,179
Related parties	83,800
	<u>\$ 11,485,144</u>
Airport	
Trade receivables	\$ 145,527
Other	18,935
	<u>\$ 164,462</u>

The Airport uses the direct write-off method for uncollectible amounts. During 2010, there were no write-offs.

Property taxes are collected one year in arrears. Although levied in 2010, property taxes are collected in mid-2011. Accordingly property taxes are reported as deferred revenue 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	\$ 33,761,096
Less allowance for uncollectible amounts	136,031
Net taxes receivables	<u>\$ 33,625,065</u>

ST. CLAIR COUNTY, ILLINOIS
Notes to the financial statements (continued)

4. Capital assets

Capital asset activity for 2010 was as follows:

Governmental activities

	January 1, 2010	Additions	Deletions	December 31, 2010
Assets not being depreciated				
Land	\$ 5,350,775	\$ 17,360	\$ -	\$ 5,368,135
Construction in progress	6,950,441	2,676,562	2,607,314	7,019,689
Projects in progress	7,102,426	337,816	7,354,453	85,789
Infrastructure				
Construction in progress	7,417,398	4,692,669	6,791,933	5,318,134
Land	5,117,443	22,730	-	5,140,173
	<u>31,938,483</u>	<u>7,747,137</u>	<u>16,753,700</u>	<u>22,931,920</u>
Assets being depreciated				
Buildings	65,133,066	2,743,806	-	67,876,872
Equipment, furniture, and vehicles	22,702,426	8,476,159	165,494	31,013,091
Infrastructure				
Road system	89,197,752	6,791,810	-	95,989,562
	<u>177,033,244</u>	<u>18,011,775</u>	<u>165,494</u>	<u>194,879,525</u>
Total capital assets	<u>208,971,727</u>	<u>25,758,912</u>	<u>16,919,194</u>	<u>217,811,445</u>
Less: accumulated depreciation for:				
Buildings	35,396,288	1,839,269	-	37,235,557
Equipment, furniture and Vehicles	12,657,455	2,564,214	139,729	15,081,940
Infrastructure	31,624,103	2,708,033	-	34,332,136
	<u>79,677,846</u>	<u>7,111,516</u>	<u>139,729</u>	<u>86,649,633</u>
Government activity capital assets, net	<u>\$129,293,881</u>	<u>\$18,647,396</u>	<u>\$16,779,465</u>	<u>\$ 131,161,812</u>

Land and buildings totaling \$43,903,107 are held under capital lease and accumulated depreciation on these assets amounted to \$30,513,729 at December 31, 2010. Depreciation charged to governmental activities during the period was as follows:

General government	\$ 1,355,682
Judicial	453,040
Transportation	2,917,342
Public safety	2,235,578
Public health	149,874
	<u>\$ 7,111,516</u>

ST. CLAIR COUNTY, ILLINOIS
Notes to the financial statements (continued)

Business-type activities – MidAmerica St. Louis Airport

	January 1, 2010	Additions	Deletions	December 31, 2010
Assets not being depreciated:				
Land	\$ 42,993,088	\$ -	\$ -	\$ 42,993,088
Construction in progress	303,076	2,557,200	272,487	2,587,787
	<u>43,296,164</u>	<u>2,557,200</u>	<u>272,487</u>	<u>45,580,875</u>
Assets being depreciated:				
Airfields	89,640,379	515,201	-	90,155,580
Land improvements	740,435	-	-	740,435
Ramps and aprons	17,373,841	-	-	17,373,841
Passenger terminal	18,224,034	-	-	18,224,034
Cargo terminal	7,490,580	39,778	-	7,530,358
Utilities	9,032,848	-	-	9,032,848
Roads and parking	6,862,822	-	-	6,862,822
Support facilities	5,924,398	-	-	5,924,398
Tenant facilities	1,002,179	19,335	-	1,021,514
Equipment	13,322,710	309,143	-	13,631,853
	<u>169,614,226</u>	<u>883,457</u>	<u>-</u>	<u>170,497,683</u>
Total capital assets	212,910,390	3,440,657	272,487	216,078,558
Less: Accumulated depreciation	<u>56,807,344</u>	<u>5,626,381</u>	<u>-</u>	<u>62,433,725</u>
Business-type activity capital assets, net	<u>\$ 156,103,046</u>	<u>\$ (2,185,724)</u>	<u>\$ 272,487</u>	<u>\$ 153,644,833</u>

Depreciation charged to operations was \$5,626,381 for 2010. Land of \$17,529,127 and equipment totaling \$3,966,645 are held under capital lease and accumulated depreciation on these assets amounted to \$1,996,305.

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. The composition of interfund balances at December 31, 2010, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Non-major governmental funds	\$ 571,465
General Fund	Internal Service funds	10,043
General Fund	MidAmerica St. Louis Airport	2,300,341
Transportation Fund	General Fund	111,543
Transportation Fund	Non-major governmental funds	1,228
Non-major governmental Funds	Non-major governmental funds	409,514
Non-major governmental Funds	General Fund	294,883
Non-major governmental Funds	Internal Service funds	1,652
		<u>3,700,669</u>
Internal Service funds	General Fund	2,102
Internal Service funds	Non-major governmental funds	4,868
		<u>\$ 3,707,639</u>

ST. CLAIR COUNTY, ILLINOIS
Notes to the financial statements (continued)

Advances to other funds made in prior and current years where the timing of repayment is not determinable have been eliminated and not reported on the face of the financial statements. The amounts that have been eliminated are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	MidAmerica St. Louis Airport	\$ 40,404,747
	Debt Service Fund	18,262,270
		<u>\$ 58,667,017</u>

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

Interfund transfers consist of the following:

<u>Transfers-out</u>	<u>Transfers-in</u>	<u>Governmental Funds</u>	<u>Business-type Funds</u>
General fund	MidAmerica St. Louis Airport	\$ -	\$ 3,305,908
	Non-major governmental funds	525,228	-
Transportation fund	Debt Service fund	3,465,650	-
Lease payable	MidAmerica St. Louis Airport	-	535,000
Non-major governmental funds	General fund	138,050	-
	Non-major governmental funds	208,155	-
	MidAmerica St. Louis Airport	-	156,310
		<u>\$ 4,337,083</u>	<u>\$ 3,997,218</u>

In the governmental funds financial statements, total transfers-out exceeded transfers-in by \$3,997,218 because of transfers made to the Enterprise fund. These transfers included cash transfers as well as expenses of the Enterprise fund paid by governmental funds on its behalf. Cash transfers of \$2,541,300 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 and certificates of participation

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 capital facilities using capital lease obligations for both its governmental and business-type activities. These leases are deemed general obligations of the County to pay net rentals using the property tax levy or other appropriate operating revenues of the County. The obligations have been recorded at the principal amount due on the underlying debt plus any accreted interest. Net capital lease obligations currently outstanding are as follows:

ST. CLAIR COUNTY, ILLINOIS
Notes to the financial statements (continued)

<u>Purpose</u>	<u>Interest rates</u>	<u>Amount</u>
Governmental Activities		
Buildings and improvements	4.00% - 5.00%	\$ 10,335,000
Jail	6.45%	2,179,560
Business-type Activities		
Airport improvements	5.90% - 5.95%	11,689,796
		<u>\$ 24,204,356</u>

In addition, certificates of participation have also been used to finance certain communications equipment at the Airport. These certificates are also general obligations of the County to pay base rentals under a lease. Net obligations outstanding at December 31, 2010 for these certificates of participation are as follows:

<u>Purpose</u>	<u>Interest rates</u>	<u>Amount</u>
Business-type Activities		
Airport communications	5.25% - 5.30%	<u>\$ 685,000</u>

Governmental Activities

At December 29, 2005, as part of refinancing certain debt and issuing new bonds, the Public Building Commission and the County entered into one new lease agreement covering certain government facilities and combined all previous leases except those covering airport properties. The County leases its jail, courthouse, detention home, garage, probation, animal control, education, 911, and other office facilities under a new consolidated lease agreement. Payment of principal, interest, certain repairs, operations, maintenance and improvements of the facilities are disbursed from annual rents collected from the County. This lease extends through December 31, 2025. Future minimum lease payments as of December 31, 2010, were as follows:

<u>Year</u>	<u>Total Lease</u>	<u>Operations & Maintenance</u>
2011	\$ 9,426,236	\$ 6,361,073
2012	9,521,103	8,762,640
2013	9,612,228	9,051,965
2014	9,711,127	9,150,364
2015	9,805,790	9,244,727
2016-2020	51,420,729	47,643,022
2021-2025	57,428,870	49,135,495
	<u>156,926,083</u>	<u>\$139,349,286</u>
Less: Amount representing executory cost (i.e., utilities, maintenance, etc.)	<u>139,349,286</u>	
	17,576,797	
Less: Amount representing interest and amortization	<u>5,062,237</u>	
Obligation under capital lease	<u>\$ 12,514,560</u>	

Rent payments under these leases were \$8,690,477 recorded in the Lease Payable Fund, \$75,963 included in the Emergency Telephone expenses, \$15,057 in the Veterans Assistance expenses, \$50,000 in the General Fund expenses, and \$236,034 in the County Health expenses. The County has been able to abate certain tax levies for the remaining

ST. CLAIR COUNTY, ILLINOIS
Notes to the financial statements (continued)

lease commitments. Lease revenues from other lessees are currently financing the remaining lease commitments in the amount of \$260,234 which includes \$170,429 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. Interest expense charged to governmental activities for these leases was \$748,529 in 2010.

Business-type activities

The County is also financing certain airport construction and property acquisitions through leases with the Public Building Commission. Payment of principal and interest are disbursed from annual rents paid by the County. Accreted interest is shown as an interest expense and added to the net obligation balance.

<u>Year</u>	<u>Lease</u>
2011	\$ 540,000
2012	2,905,000
2013	3,105,000
2014	3,105,000
2015	3,105,000
2016	1,650,000
	<u>14,410,000</u>
Less: Amount representing interest and amortization	2,720,204
Obligation under capital lease	<u>\$ 11,689,796</u>

The capital lease payment for 2010 for the benefit of the Airport was \$535,000 and has been recorded as a transfer from the Lease Payable Fund to the Enterprise Fund. Capital lease interest, which includes the accreted interest, charged to Airport operations was \$691,576.

The certificates of participation used to finance communications equipment are being paid annually. It is anticipated that the primary source of funds available to the County to make base rental payments under the lease will be Airport revenues and various other revenues including real estate property taxes if necessary. Lease payments reflect principal and interest per the certificate document are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 335,000	\$ 36,138	\$ 371,138
2012	350,000	18,550	368,550
	<u>\$ 685,000</u>	<u>\$ 54,688</u>	<u>\$ 739,688</u>

Interest charged against Airport operations was \$52,517.

Rent Credits

Governmental activities

As part of the acquisition of certain office space, the County entered into a special agreement with the seller whereby a part of the purchase price included rent credits for a

ST. CLAIR COUNTY, ILLINOIS
Notes to the financial statements (continued)

term of 20 years. Should the seller be forced to surrender its leased space to the County, unused rent credits would be payable. The liability is being amortized at \$20,104 per month with interest computed at approximately 8.15% as follows:

<u>Year</u>	<u>Lease</u>
2011	\$ 241,248
2012	241,248
2013	140,728
	623,224
Less: Amount representing imputed interest	59,835
Unused rent credits	\$ 563,389

Imputed interest expense for 2010 was \$53,347.

Notes payable

Business-type activities

In August 2003, the County committed \$1,350,000 for airport incentives to attract a private airline. To finance this package, the County borrowed funds from the St. Clair County Public Building Commission bearing interest at 1% per annum. The balance plus accrued interest was paid in full in August, 2010. Interest charged to operations was \$7,700 for 2010.

Revenue bonds

Government activities

In November 2005, the County issued \$16,835,000 in Highway Revenue Bonds to advance refund \$3,550,000 of the outstanding 1997 series 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 1997 Series bond liability for those bonds has been removed from the balance sheet and was paid by the escrow agent.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$91,889. The difference, reported in the accompanying financial statements as a deduction from bonds payable, was charged to the operations through 2007. The County completed the advance refunding to reduce cash flow requirements in the near term as part of bonding for new capital. The County realized an economic loss (difference between the present values of the old and new debt service payments) of \$18,379 in the advance refunding of the old debt in order to consolidate existing debt as part of the newly issued bonds.

These bonds are limited obligations of the County with a claim for payment solely from Highway Revenues (Motor Fuel Tax and Matching Tax). The County is required to deposit monthly into a separate fund fractional shares of principal and interest becoming due on the next succeeding payment. Interest is payable each January 1 and July 1 at rates from 4.00% to 5.00 %, while principal is due each January 1 as follows:

ST. CLAIR COUNTY, ILLINOIS
Notes to the financial statements (continued)

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 1,295,000	\$ 568,125	\$ 1,863,125
2012	1,360,000	501,750	1,861,750
2013	1,430,000	432,000	1,862,000
2014	1,500,000	366,250	1,866,250
2015	1,560,000	297,250	1,857,250
2016-2018	5,165,000	395,625	5,560,625
	<u>\$ 12,310,000</u>	<u>\$ 2,561,000</u>	<u>\$ 14,871,000</u>

The carrying value of the general obligation refunding bonds is as follows:

Outstanding bonds	\$ 12,310,000
Unamortized premium	292,425
Unamortized bond issuance costs and deferred refunding loss	(154,204)
	<u>\$ 12,448,221</u>

Interest and amortization charged to operations for the transportation function for 2010 was \$567,410.

General obligation refunding bonds

Business-type activities

On July 7, 2009, the County issued \$50,105,000 in General Obligation Refunding Bonds to advance refund \$71,354,605 of certain outstanding 1999 Series bonds. Net proceeds of \$45,028,025 (after payment of \$722,988 underwriting, insurance, and other issuance costs and \$5,550,000 for swap termination fees) plus an additional \$29,996,900 of designated debt service funds were used to purchase U.S. government securities that had been placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. On December 31, 2010, accreted value of \$6,661,396 in defeased bonds is outstanding.

Another \$3,843,954 was placed in escrow for the 2016/2017 debt service for the new bonds as required by the alternative debt financing. Nearly all of the 1999 series bonds were callable in 2009. Capital Appreciation Bonds due in 2016 and 2017 were not subject to optional redemption prior to maturity.

The advance refunding met the requirements of an in-substance debt defeasance and was done as an advance refunding to take advantage of lower interest rates and to reduce total debt service requirements. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$9.8 million. The difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to the operations through 2029. The County completed the advance refunding to reduce cash flow requirements in the near term. The debt service requirements over the next 20 years decreased by approximately \$15.7 million but the County realized an economic loss (difference between the present values of the old and new debt service payments) of \$1.2 million.

ST. CLAIR COUNTY, ILLINOIS
Notes to the financial statements (continued)

Capital Appreciation bonds that were not defeased are payable as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Accreted Value</u>
2016	\$ 778,939	\$ 1,236,061	\$ 2,015,000	\$ 1,468,789
2017	777,474	1,347,526	2,125,000	1,466,037
	<u>\$ 1,556,413</u>	<u>\$ 2,583,587</u>	<u>\$ 4,140,000</u>	<u>\$ 2,934,826</u>

The carrying value of the Capital Appreciation bonds was:

Capital Appreciation Bonds	\$ 2,934,826
Unamortized bond issuance costs and deferred refunding loss	(33,192)
	<u>\$ 2,901,634</u>

The 2009 debt (General Obligation Refund Bonds-Alternative Revenue Source) of \$50,105,000 are current interest bonds. The bonds and interest are payable from certain pledged revenues and real estate taxes, if necessary. Pledged revenues include grant revenues, as discussed in Note 17, and net Airport revenues derived from the operation of the Airport. Currently the Airport is operating at a deficit and prior grant receipts are being used to fund the debt service on the bonds.

Debt service requirements to maturity on the new bonds are as follows:

<u>Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011		\$ -	\$ 2,508,650	\$ 2,508,650
2012		-	2,508,650	2,508,650
2013	3.50%	475,000	2,508,650	2,983,650
2014	3.75%	1,110,000	2,492,025	3,602,025
2015	4.00%	1,825,000	2,450,400	4,275,400
2016-2020	4.50% - 5.00%	7,450,000	11,560,750	19,010,750
2021-2025	5.00% - 5.25%	17,920,000	8,491,837	26,411,837
2026-2029	5.00% - 5.25%	21,325,000	2,858,913	24,183,913
		<u>\$ 50,105,000</u>	<u>\$ 35,379,875</u>	<u>\$ 85,484,875</u>

The new bonds start maturing on October 1, 2013 and are payable through 2029. Interest is payable at rates of 3.5% to 5.25% depending on maturity on April 1 and October 1. 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.

The carrying value of the Capital Interest bonds was:

Capital Appreciation Bonds	\$ 50,105,000
Premium	1,080,323
Unamortized bond issuance costs and deferred refunding loss	(9,525,005)
	<u>\$ 41,660,318</u>

Debt service was paid from the MidAmerica St. Louis Airport Fund. Total interest, net of amortization of bond costs and premiums, charged to operations for the General Obligation bond issues amounted to \$3,279,424.

ST. CLAIR COUNTY, ILLINOIS
Notes to the financial statements (continued)

Changes in long-term liabilities

The following is a summary of long-term obligation transactions during 2010.

Governmental activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due within one year</u>
Revenue bonds	\$13,555,000	\$ -	\$ 1,245,000	\$ 12,310,000	\$ 1,295,000
Less deferred amounts					
Issue costs & refunding	(191,121)	-	(36,917)	(154,204)	-
Premium	362,432	-	70,007	292,425	-
	<u>13,726,311</u>	<u>-</u>	<u>1,278,090</u>	<u>12,448,221</u>	<u>1,295,000</u>
Capital leases	14,801,977	262,583	2,550,000	12,514,560	2,560,000
Rent credits	751,290	-	187,901	563,389	204,010
Insurance claims	1,504,555	35,945	-	1,540,500	-
	<u>\$30,784,133</u>	<u>\$ 298,528</u>	<u>\$ 4,015,991</u>	<u>\$ 27,066,670</u>	<u>\$ 4,059,010</u>

For General Debt, the combined interest cost, including interest from rent credits, was \$1,369,286. Interest of \$567,410 is charged directly to transportation functions while \$801,876 is unallocated.

Business-type activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due within one year</u>
General obligation bonds	\$ 52,882,683	\$ 157,143	\$ -	\$ 53,039,826	\$ -
Less deferred amounts:					
Issue costs & refunding	(10,249,801)	-	(691,604)	(9,558,197)	-
Premium	1,158,296	-	77,973	1,080,323	-
Total bonds	<u>43,791,178</u>	<u>157,143</u>	<u>(613,631)</u>	<u>44,561,952</u>	<u>-</u>
Capital leases	11,533,221	691,575	535,000	11,689,796	540,000
Notes payable	1,155,000	-	1,155,000	-	-
Certificates of Participation	1,000,000	-	315,000	685,000	335,000
Due to Public Building Commission	5,737,855	138,756	-	5,876,611	-
	<u>\$ 63,217,254</u>	<u>\$ 987,474</u>	<u>\$ 1,391,369</u>	<u>\$ 62,813,359</u>	<u>\$ 875,000</u>

Total Airport interest and amortization expensed aggregated to \$2,648,009. No interest was capitalized as part of construction costs.

The following is a summary of debt service requirements including minimum lease obligations. Rent credits have not been included. As long as the County meets its obligations under the purchase agreement, no payment will be required and the liability will be amortized annually over the remaining period of the agreement.

ST. CLAIR COUNTY, ILLINOIS
Notes to the financial statements (continued)

Debt service requirements are as follows:

Year	Governmental Activities		Business-type Activities		Total
	Debt	Leases	Debt	Leases	
2011	\$ 1,863,125	\$ 9,426,236	\$ 2,879,788	\$ 540,000	\$ 14,709,149
2012	1,861,750	9,521,103	2,877,200	2,905,000	17,165,053
2013	1,862,000	9,612,228	2,983,650	3,105,000	17,562,878
2014	1,866,250	9,711,127	3,602,025	3,105,000	18,284,402
2015	1,857,250	9,805,790	4,275,400	3,105,000	19,043,440
2016-2020	5,560,625	51,420,729	23,150,750	1,650,000	81,782,104
2021-2025	-	57,428,870	26,411,837	-	83,840,707
2026-2029	-	-	24,183,913	-	24,183,913
	<u>14,871,000</u>	<u>156,926,083</u>	<u>90,364,563</u>	<u>14,410,000</u>	<u>276,571,646</u>
Executory costs	-	139,349,286	-	-	139,349,286
	<u>\$ 14,871,000</u>	<u>\$ 17,576,797</u>	<u>\$ 90,364,563</u>	<u>\$ 14,410,000</u>	<u>\$137,222,360</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 – 2010 tax year	
Values used for setting rates	<u>\$ 3,664,805,429</u>
Debt limit	\$ 105,363,156
Total debt authorized and issued:	
Deemed general obligations bonded indebtedness	16,307,064
Certificates of Participation	685,000
Legal debt margin	<u>\$ 88,371,092</u>

7. Net Assets

The County has certain reserved, designated and restricted net asset balances as follows:

	Governmental Funds	Business-Type Fund	Total
Reserved fund balance			
Working cash	\$ 16,984,398	\$ -	\$ 16,984,398
Capital projects and expansion	7,484,638	-	7,484,638
	<u>\$ 24,468,036</u>	<u>\$ -</u>	<u>\$ 24,468,036</u>
Designated fund balance			
Debt service -			
Airport bonds	<u>\$ 20,473,264</u>	<u>\$ -</u>	<u>\$ 20,473,264</u>

ST. CLAIR COUNTY, ILLINOIS
Notes to the financial statements (continued)

Restricted net assets			
Tort	\$ 4,604,376	\$ -	\$ 4,604,376
Retirement	9,170,519	-	9,170,519
Public safety	6,458,167	-	6,458,167
Court services	3,284,981	-	3,284,981
Parks and recreation	3,466,224	-	3,466,224
Public health	16,644,808	-	16,644,808
Transportation	33,154,649	-	33,154,649
Lease obligations	9,008,951	-	9,008,951
Debt service -			
Highway bonds	2,047,202	-	2,047,202
Other	3,401,483	-	3,401,483
	<u>\$ 91,241,360</u>	<u>\$ -</u>	<u>\$ 91,241,360</u>

The County includes its Tort\Self-insurance program as part of the General Fund. Legally restricted property tax revenues fund tort activity. Restricted fund balance is substantially comprised of cash, equity in cash and investment pool less claims liabilities.

The working cash has been reserved by a County ordinance to provide working capital for the ensuing months. In addition, the County has also set aside funds for capital projects and expansion at the airport and improvements to County buildings in accordance with optional statutory authority.

Funds transferred from the General Fund to the Debt Service Fund have been designated for retirement of Airport bonds. In addition, monthly transfers from the Transportation Fund to the Debt Service Fund are restricted for the debt service payments on the outstanding highway bonds.

8. Fund deficits

The General Grants, Office on Aging, Commissary and the Prosecution/Law Enforcement Grant funds had negative fund balances of \$128,734, \$8, \$48,445, and \$35,118, respectively, at December 31, 2010. The funds' deficits will be recovered at a later date.

ST. CLAIR COUNTY, ILLINOIS
Notes to the financial statements (continued)

9. Reconciliation of governmental expenditures activities

Reconciliation of Governmental Expenditures
(in thousands)

	<u>Total</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Judicial</u>	<u>Trans- portation</u>	<u>Public Health</u>	<u>Debt Service</u>	<u>Interest</u>
Governmental funds expenditures	\$87,758	\$ 37,116	\$ 21,832	\$ 7,090	\$8,914	\$10,936	\$1,870	\$ -
Adjustments:								
Capital outlay	(5,451)	(1,411)	(1,011)	(27)	(3,002)	-	-	-
Depreciation	7,112	1,356	2,236	453	2,917	150	-	-
Debt service	(3,479)	(2,978)	-	-	567	-	(1,870)	802
Change in long-term insurance claims	36	36	-	-	-	-	-	-
Change in compensated absences	384	67	252	36	35	(6)	-	-
Change in inventories	100	21	-	-	85	(6)	-	-
In-kind contributions	2,470	-	-	-	-	2,470	-	-
Employee medical costs of components								
Units	2,360	2,360	-	-	-	-	-	-
Internal service fund income	1,518	359	600	308	125	126	-	-
Reclassifications:								
Interfund activity	(913)	(517)	268	47	(397)	(314)	-	-
Employee benefits	-	(9,168)	5,533	2,297	907	431	-	-
Insurance costs	33	(3,372)	1,922	582	654	247	-	-
Lease payments	-	(2,418)	1,507	911	-	-	-	-
Expenses for Net Activities	<u>\$91,928</u>	<u>\$ 21,451</u>	<u>\$ 33,139</u>	<u>\$11,697</u>	<u>\$10,805</u>	<u>\$14,034</u>	<u>\$ -</u>	<u>\$ 802</u>

Expenses as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances focus on budgetary basis of accounting and the expenses as reported on the Statement of Net Activities are presented on an economic resource basis. This schedule is presented to show the various adjustments and allocations that were required to arrive at the expenses recorded in the Statement of Net Activities.

10. 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.

The County has a self-funded insurance program for property, worker's compensation, automobile, general liability, errors and omissions including public officials and police professional liability. 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

ST. CLAIR COUNTY, ILLINOIS
Notes to the financial statements (continued)

losses. 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 \$175,440,578 and \$100,000 self-funded retention amounts per loss. The property coverage includes flood and earthquake risks up to \$156,520,428 including mine subsidence (\$300 million program aggregate) with self-insured retention of the greater of \$100,000 or 5% of the damaged location for earthquake and \$50,000 for flood.

The premises, products, law enforcement, dispatchers, professional, automobile, public officials, and health professional liabilities 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 for each and a \$4,000,000 aggregate.. The liability also includes premises medical expense payments coverage with limits of \$1,000 per person and \$50,000 per occurrence. There is excess liability coverage with a limit of \$9,000,000 that applies to general liability, law enforcement, auto, and public officials. 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 \$500,000 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 \$25,000 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 first dollar coverage and includes aviation, hi-jacking and other aviation liability coverage with a \$100 million aggregate. The airport owners and operators liability policy also provides a \$100 million limit for off-premises liability over the automobile liability coverage of \$1 million. Aviation public official liability carries a \$10 million limit and \$25,000 deductible while sexual misconduct liability is limited to \$1 million.

Environmental impairment liability – select coverage is limited to \$10 million per occurrence with an annual aggregate of \$20 million. Deductible for each occurrence is \$100,000 and \$400,000 in the aggregate.

ST. CLAIR COUNTY, ILLINOIS
Notes to the financial statements (continued)

The blanket coverage applies to building contents, runways, taxiways and aprons with limits of \$201 million and \$25,000 per occurrence deductibles. Coverage also applies to flood, earthquake, and mine subsidence up to \$200 million with a \$100,000 deductible. Leased or rented equipment coverage is limited to \$150,000.

International general and products liability coverages are limited to \$2 million with no deductibles while excess foreign automobile coverage of \$1 million. Additional foreign workers' compensation and automobile are limited to \$1 million. A special crime policy is limited to \$1,000,000.

The insurance premiums and fees for Airport coverages are paid from the Tort Fund. Airport related insurance costs including legal fees have been recorded as transfers by the Tort Fund and charged to airport operations for the year ended December 31, 2010 in the amount of \$593,152.

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, 2010, the County estimates settlement to be \$3,446,762 of which \$1,540,500 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:

<u>Year</u>	<u>Claims Liability January 1</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Claims Liability December 31</u>
2010	\$ 3,033,695	\$ 1,680,624	\$ 1,267,557	\$ 3,446,762
2009	2,493,696	2,815,960	2,275,961	3,033,695
2008	3,211,493	807,782	1,525,579	2,493,696

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 \$11,691,819 for the County with \$225,000 per individual and life insurance benefits are covered by third party insurance in conjunction with this program. 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

ST. CLAIR COUNTY, ILLINOIS
Notes to the financial statements (continued)

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
2010	\$ 750,700	\$ 9,558,932	\$ 8,904,269	\$ 1,405,363
2009	837,689	8,670,008	8,756,997	750,700
2008	841,400	8,068,366	8,072,077	837,689

11. Defined benefit pension plan

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 affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer pension plan. 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 financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, the County's regular plan members are required to contribute 4.5% of their annual covered salary while SLEP participants contribute 7.5% and Elected Officials contribute 7.5%. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County's contribution rate for calendar year 2010 was 10.86% of annual covered payroll for regular employees, 20.73% for SLEP, and 43.66% for Elected Officials. The County also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For 2010, the County's annual pension costs were \$3,120,758, \$1,651,378 and \$543,748 for the regular, SLEP and Elected Officials, respectively. These were equal to the County's required and actual contribution.

ST. CLAIR COUNTY, ILLINOIS
Notes to the financial statements (continued)

Three-Year Trend Information for the County Plan

Regular (Non-SLEP) County Employees

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/10	\$ 3,120,758	100%	\$ 0
12/31/09	2,133,818	100%	0
12/31/08	2,147,775	100%	0

SLEP County Employees

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/10	\$ 1,651,378	100%	\$ 0
12/31/09	1,497,899	100%	0
12/31/08	1,542,661	100%	0

Elected County Officials

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/10	\$ 543,748	100%	\$ 0
12/31/09	599,335	100%	0
12/31/08	570,952	100%	0

The required 2010 contribution was determined as part of the December 31, 2008 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the County's plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value assets. The County's plan's overfunded and unfunded actuarial accrued liabilities at December 31, 2008 are being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the County's plan was 82.58% funded for regular employees, 58.36% for SLEP, and 38.94% for Elected Officials. The actuarial accrued liability for benefits, the actuarial value of assets, and the under(over) funded actuarial accrued liability (UAAL), the covered payroll (annual payroll of active employees covered by the plan) and the ratio of the UAAL to the covered payroll for the employee groups are as follows:

ST. CLAIR COUNTY, ILLINOIS
Notes to the financial statements (continued)

Employee Group	Actuarial Accrued Liability (AAL)	Actuarial Value Of Assets	Underfunded UAAL
Regular	\$ 94,241,567	\$ 77,820,426	\$ 16,421,141
SLEP	31,726,458	18,514,443	13,212,015
Elected Officials	8,321,966	3,240,772	5,081,194

Employee Group	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
Regular	\$ 28,736,263	57.14%
SLEP	7,966,128	165.85%
Elected Officials	1,245,415	407.99%

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Due to poor performance of the IMRF investments in prior years, retirements of long-term officials, and significant changes in law enforcement retirement benefits, the County currently has an accumulated net unfunded actuarial liability for its employee groups of \$34,714,350. This liability is not included in these financial statements. The County contributes 100% of the annual pension cost. Accordingly the County has no net pension obligation liability. IMRF has already announced that future rates will continue to increase.

12. 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 as of December 31, 2007. Currently administrative costs for the trust are minimal and paid by the OPEB Trust Fund. The plan uses the accrual method of accounting in conformity with generally accepted accounting principles. 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

ST. CLAIR COUNTY, ILLINOIS
Notes to the financial statements (continued)

an IMRF SLEP (Sheriff Law Employment Personnel) participant who terminates employment with at least 20 years of SLEP credit. 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 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. In 2010, approximately 121 retirees (including spouses) participated in the program, 851 active employees, and 22 terminated employees eligible for temporary benefits (COBRA).

Funded Status and Funding Progress. The County adopted GASB Statement No. 45 and has actuarially determined the required annual contribution that is prepared in accordance with certain parameters. The OPEB trust is funded by the County and participants make no contributions into the fund over and above their contribution for benefits made to the Employee Medical Trust Fund. As of December 31, 2010, the most recent actuarial valuation date, the County's plan was 55% funded. The actuarial accrued liability for benefits, the actuarial value of assets, and the under(over) funded actuarial accrued liability (UAAL), the covered payroll (annual payroll of active employees covered by the plan) and the ratio of the UAAL to the covered payroll for the employee groups are as follows:

Actuarial Valuation Date	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets	Unfunded UAAL
12/31/10	\$ 2,173,919	\$ 1,190,799	\$ 983,120
12/31/09	2,417,968	850,844	1,567,124
12/31/08	2,253,318	520,113	1,733,205
	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll	
	\$ 37,947,806	3%	
	40,027,895	4%	
	38,230,339	5%	

Annual OPEB Cost. Based on the bi-annual actuarial study done as of January 1, 2009, the County's 2010 required OPEB contribution was \$289,172. The County deposited these funds into the trust fund. The annual contribution includes the current year's service cost of \$136,407 as well as the amortization of the unfunded actuarial accrued liability (AAL) of \$152,765. This amortization is based on a 30-year amortization of the unfunded AAL as a level dollar amount on a closed basis. Since the County is self-insured, the employer contributions fluctuate on annual basis.

Actuarial accrued liability (AAL)	\$ 2,173,919
Actuarial value of plan assets	1,190,799
Unfunded actuarial accrued liability (UAAL)	<u>\$ 983,120</u>

The initial required contribution was determined as part of the December 31, 2006 bi-annual

ST. CLAIR COUNTY, ILLINOIS
Notes to the financial statements (continued)

actuarial valuation using the Projected Unit Credit method. The actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrences of events far into the future and are subject to continual revision. The methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities. The actuarial value of assets is based on the fair market value of the assets. The actuarial assumptions at December 31, 2010 included (a) 7% investment rate of return (net of administrative expenses); (b) projected medical increases of 10% grading down to 5% in year 2016 and each year thereafter, (c) rate of retirement based on ages, (d) turnover, (e) disability/mortality, and (f) percent of retiree and spousal participation.

Actuarial Valuation Date	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation (NPO)	Accrued Liability (AAL)	Actuarial Accrued Liability (AAL)
12/31/10	\$ 289,520	100%	\$ 0	\$2,173,919	\$2,173,919
12/31/09	290,216	100%	0	2,417,968	2,417,968
12/31/08	275,087	100%	0	2,253,318	2,253,318

13. 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 The Hartford, 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.

14. St. Clair County Public Building Commission

On July 6, 1966, the Public Building Commission of St. Clair County was established by the authority vested in St. Clair County's Board of Supervisors as provided by the Illinois Public Building Commission Act. At December 31, 2010, summarized financial data for the St. Clair County Public Building Commission was as follows:

Current assets	\$ 9,795,344
Restricted assets	2,774,487
Property, plant and equipment	29,524
Due from St. Clair County	5,570,991
Other assets	21,995,072
	<u>40,165,418</u>
Liabilities	
Current liabilities	4,020,618
Long-term liabilities	21,539,518
Due to St. Clair County	232,654
	<u>25,792,790</u>

ST. CLAIR COUNTY, ILLINOIS
Notes to the financial statements (continued)

Net Assets	
Net assets invested in capital assets	29,524
Restricted	2,396,472
Unrestricted	11,946,632
Total net assets	<u>\$ 14,372,628</u>
Operating revenues	\$ 8,270,810
Operating expenses	<u>10,234,852</u>
Operating income	(1,964,042)
Non-operating revenue (expenses)	<u>45,568</u>
Net income (loss)	<u>\$ (1,918,474)</u>

The assets of the Public Building Commission include its investment in the capital leases, while its liabilities include the remaining debt on the capital lease assets. Accordingly, these amounts would be eliminated in a consolidated balance sheet of St. Clair County and the Public Building Commission.

15. St. Clair County Intergovernmental Grants Department

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 for the economically disadvantaged under various federal and state grants. Its activities also include the St. Clair County Intergovernmental Grants Community Action Commission (CAC), a 501(c)(3) formed to obtain additional grant funds.

St. Clair 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. While the financial statements of these various programs are not presented herein, certain limited financial information is provided.

At December 31, 2010 summarized financial data for the St. Clair County Intergovernmental Grants Department was as follows:

Current assets	\$ 6,386,615
Other non-current assets	4,018,510
Property, plant and equipment	<u>56,962</u>
Total assets	<u>10,462,087</u>
Current liabilities	5,248,717
Long-term liabilities	<u>4,018,510</u>
Total liabilities	<u>9,267,227</u>

ST. CLAIR COUNTY, ILLINOIS
Notes to the financial statements (continued)

Net assets	
Investment in capital assets	56,962
Restricted for loans	928,726
Unrestricted and unreserved	209,172
Total net assets	<u>\$ 1,194,860</u>
Program revenues	\$ 24,281,926
Program expenditures	(24,302,949)
General revenues	53,367
Changes in net assets	<u>\$ 32,344</u>

Direct expenses for the programs during 2010 were as follows:

Jobs training and employment	\$ 4,722,944
Housing and urban development	6,003,741
Weatherization/energy assistance	11,002,390
Community service programs	1,798,479
Support services	775,395
	<u>\$ 24,302,949</u>

Various other grants not administered by the Intergovernmental Grants Department are included in these government-wide financial statements.

16. St. Clair County Flood Prevention District

The St. Clair County Flood Prevention District (District) was established in July of 2008 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. Although preliminary engineering began in late 2008, the District began collecting sales tax in January 2009. Per statute, the operations of the district are reported on a year ending in September. At September 30, 2010 summarized financial data for the St. Clair County Flood Prevention District was as follows:

Current assets	\$ 3,303,359
Total assets	<u>3,303,359</u>
Current liabilities	<u>1,480,192</u>
Total liabilities	<u>1,480,192</u>
Net assets	
Unrestricted and unreserved	1,823,167
Total net assets	<u>\$ 1,823,167</u>
Program revenues	\$ 5,279,513
Program expenditures	(3,906,287)
General revenues	10,364
Changes in net assets	<u>\$ 1,383,590</u>

ST. CLAIR COUNTY, ILLINOIS
Notes to the financial statements (continued)

17. MidAmerica St. Louis Airport

The MidAmerica St. Louis Airport project began in 1990 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 airport opened for operations in April of 1998.

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 had been constructing 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.

In 2011 the FAA committed funds for the construction of another ramp. The FAA commitment was approximately \$2,648,000 with County and State participation of \$70,000 each.

18. 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 \$591,535 from the Grants Department and \$416,538 from the Public Building Commission.

19. Pending litigation, contingencies, and commitments

St. Clair County has been named as defendant in a number of lawsuits pending at December 31, 2010. 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.

**REQUIRED SUPPLEMENTARY
INFORMATION**

ST. CLAIR COUNTY, ILLINOIS
Governmental Funds
December 31, 2010

The following schedules provide additional detail on balances and activities of County government and its operations. Budgetary schedules present actual data on the budgetary basis which is the modified cash basis.

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 and the transportation fund have been provided.

Nonmajor funds

Nonmajor governmental funds consist of the all special revenue funds, except the Transportation Fund and the Lease Payable Fund. 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.

ST. CLAIR COUNTY, ILLINOIS
Required Supplementary Information
December 31, 2010

Public Employees Retirement System
Schedule of Funding Progress

Non-SLEP County Employees

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/30/2010	\$ 3,120,758	100%	\$0
12/30/2009	2,133,818	100%	0
12/31/2008	2,147,775	100%	0
12/31/2007	2,017,625	100%	0
12/31/2006	1,964,437	100%	0
12/31/2005	1,759,472	100%	0
12/31/2004	1,063,537	100%	0
12/31/2003	232,392	100%	0
12/31/2002	232,392	100%	0
12/31/2001	217,050	100%	0

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
12/31/2010	\$ 77,820,426	\$ 94,241,567	\$ 16,421,141	82.58%	\$ 28,736,263	57.14%
12/31/2009	74,869,293	93,153,781	18,284,488	80.37%	30,224,054	60.50%
12/31/2008	74,399,761	86,146,035	11,746,274	86.36%	28,522,913	41.18%
12/31/2007	88,612,818	82,697,557	(5,915,261)	107.15%	26,973,591	0.00%
12/31/2006	81,957,335	77,946,152	(4,011,183)	105.15%	25,916,052	0.00%
12/31/2005	75,972,612	71,383,178	(4,589,434)	106.43%	24,746,435	0.00%
12/31/2004	72,632,910	67,587,777	(5,045,133)	107.46%	24,281,674	0.00%
12/31/2003	71,413,283	63,962,538	(7,450,745)	111.65%	24,193,640	0.00%
12/31/2002	69,357,222	59,271,924	(10,085,298)	117.02%	23,239,184	0.00%
12/31/2001	71,918,502	54,883,903	(17,034,599)	131.04%	21,924,281	0.00%

ST. CLAIR COUNTY, ILLINOIS
Required Supplementary Information
December 31, 2010

Public Employees Retirement System
Schedule of Funding Progress

SLEP County Employees

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/2010	\$ 1,651,378	100%	\$0
12/31/2009	1,497,899	100%	0
12/31/2008	1,542,661	100%	0
12/31/2007	1,417,987	100%	0
12/31/2006	1,196,007	100%	0
12/31/2005	1,087,664	100%	0
12/31/2004	964,351	100%	0
12/30/2003	778,943	100%	0
12/31/2002	454,262	100%	0
12/31/2001	530,400	100%	0

SLEP County Employees

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
12/31/2010	\$ 18,514,443	\$ 31,726,458	\$ 13,212,015	58.36%	\$ 7,966,128	165.85%
12/31/2009	21,418,480	33,356,732	11,938,252	64.21%	8,472,281	140.91%
12/31/2008	21,412,533	33,824,308	12,411,775	63.31%	8,429,842	147.24%
12/31/2007	24,360,682	31,242,325	6,881,643	77.97%	7,917,292	86.92%
12/31/2006	22,402,790	29,838,125	7,435,335	75.08%	7,456,403	99.72%
12/31/2005	23,096,775	29,517,484	6,420,709	78.25%	7,108,914	90.32%
12/31/2004	21,412,245	24,100,517	2,688,272	88.85%	6,459,152	41.62%
12/30/2003	19,847,291	21,886,726	2,039,435	90.68%	6,085,490	33.51%
12/31/2002	18,887,550	20,425,107	1,537,557	92.47%	5,922,583	25.96%
12/31/2001	20,066,265	19,701,723	(364,542)	101.85%	5,715,520	0.00%

ST. CLAIR COUNTY, ILLINOIS
Required Supplementary Information
December 31, 2010

Public Employees Retirement System
Schedule of Funding Progress

Elected County Officials

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2010	\$ 543,748	100%	\$0
12/31/2009	599,335	100%	0
12/31/2008	570,952	100%	0
12/31/2007	591,949	100%	0
12/31/2006	510,042	100%	0
12/31/2005	557,967	100%	0
12/31/2004	532,650	100%	0
12/30/2003	516,627	100%	0
12/31/2002	477,119	100%	0
12/31/2001	497,835	100%	0

Elected County Officials (began in 1997)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2010	\$ 3,240,772	\$ 8,321,966	\$ 5,081,194	38.94%	\$ 1,245,415	407.99%
12/31/2009	2,352,802	7,657,688	5,304,886	30.72%	1,331,560	398.40%
12/31/2008	959,786	7,388,479	6,428,693	12.99%	1,277,584	503.19%
12/31/2007	2,282,509	8,027,359	5,744,850	28.43%	1,277,681	449.63%
12/31/2006	1,962,722	7,731,690	5,768,968	25.39%	1,274,469	452.66%
12/31/2005	1,173,015	7,227,604	6,054,589	16.23%	1,311,938	461.50%
12/31/2004	3,702,024	8,291,100	4,589,076	44.65%	1,231,277	372.71%
12/30/2003	3,605,016	8,399,590	4,794,574	42.92%	1,165,938	411.22%
12/31/2002	3,427,021	8,649,197	5,222,176	39.62%	1,182,451	441.64%
12/31/2001	2,826,235	8,309,413	5,483,178	34.01%	1,132,989	483.96%

ST. CLAIR COUNTY, ILLINOIS
Required Supplementary Information
December 31, 2010

Other Post-Employment Benefits
Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Annual OPEB Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net OPEB Obligation</u>
12/30/2010	\$ 289,520	100%	\$0
12/30/2009	290,216	100%	0
12/31/2008	275,087	100%	0
12/31/2007	259,831	100%	0
12/31/2006	-	100%	0

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
12/31/2010	\$ 1,190,799	\$ 2,173,919	\$ 983,120	54.78%	\$ 37,947,806	2.59%
12/31/2009	850,844	2,417,963	1,567,124	35.19%	40,027,895	3.92%
12/31/2008	520,113	2,253,318	1,733,205	23.08%	38,230,339	4.53%
12/31/2007	259,831	2,079,931	1,819,493	12.49%	36,168,564	5.03%
12/31/2006	-	1,946,738	1,946,738	0.00%	34,646,924	5.62%

ST. CLAIR COUNTY, ILLINOIS
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget to Actual
General Fund
For the year ended December 31, 2010

	Budgeted Amounts		Budgetary Basis	Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	\$ 11,573,151	\$ 11,573,151	\$ 8,821,126	\$ (2,752,025)
Revenue from federal/state agencies	1,107,597	1,107,597	1,113,770	6,173
Revenue from local government	80,000	80,000	403,463	323,463
Earnings on investments	1,370,500	1,370,500	1,365,019	(5,481)
Licenses, permits, fines, fees	-	-	-	-
and services	14,511,054	14,511,054	14,209,991	(301,063)
State income tax	5,125,000	5,125,000	4,509,658	(615,342)
Personal property replacement tax	2,700,000	2,700,000	2,596,425	(103,575)
Sales tax	7,366,045	7,366,045	7,698,065	332,020
Pari-mutual tax	120,000	120,000	116,035	(3,965)
Miscellaneous revenues	46,000	46,000	893,354	847,354
	<u>43,999,347</u>	<u>43,999,347</u>	<u>41,726,906</u>	<u>(2,272,441)</u>
EXPENDITURES				
General government	42,867,356	42,875,199	20,737,124	(22,138,075)
Public safety	12,158,299	12,188,950	12,883,677	694,727
Judicial	5,069,260	5,084,140	4,867,598	(216,542)
Public health	62,100	64,726	71,934	7,208
	<u>60,157,015</u>	<u>60,213,015</u>	<u>38,560,333</u>	<u>(21,652,682)</u>
Excess of revenues over (under) expenditures	<u>(16,157,668)</u>	<u>(16,213,668)</u>	<u>3,166,573</u>	<u>19,380,241</u>
Other financing sources (uses):				
Operating transfers-in	-	-	138,050	138,050
Operating transfers-out	<u>(3,225,000)</u>	<u>(3,390,331)</u>	<u>(525,228)</u>	<u>2,865,103</u>
Total other financing sources (uses)	<u>(3,225,000)</u>	<u>(3,390,331)</u>	<u>(387,178)</u>	<u>3,003,153</u>
Net changes in fund balances	\$ <u>(19,382,668)</u>	\$ <u>(19,603,999)</u>	2,779,395	\$ <u>22,383,394</u>
Reconciliation of budgetary basis to government fund statement of changes in fund balance:				
Effect of unrecorded assets			(50,277)	
Effect of market value adjustment on investments			(15,648)	
Effect of unrecorded liabilities			(1,019,891)	
Effect of due to/from other funds			(128,995)	
Beginning fund balances			<u>49,307,967</u>	
Ending fund balances			\$ <u>50,872,551</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
Transportation Fund
For the year ended December 31, 2010

	Budgeted Amounts		Budgetary Basis	Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	\$ 6,268,395	\$ 6,268,395	\$ 5,257,612	\$ (1,010,783)
Motor fuel tax	4,865,000	4,865,000	5,048,088	183,088
Earnings on investments	384,300	384,300	193,991	(190,309)
Licenses, permits, fines, fees and services	578,800	578,800	15,640	(563,160)
Revenue from federal/state agencies	-	-	-	-
Revenue from local government	526,200	526,200	425,520	(100,680)
Miscellaneous revenues	100,000	100,000	17,068	(82,932)
	<u>12,722,695</u>	<u>12,722,695</u>	<u>10,957,919</u>	<u>(1,764,776)</u>
EXPENDITURES				
Transportation	<u>31,195,576</u>	<u>29,800,326</u>	<u>9,407,154</u>	<u>(20,393,172)</u>
	<u>31,195,576</u>	<u>29,800,326</u>	<u>9,407,154</u>	<u>(20,393,172)</u>
Excess of revenues over (under) expenditures	<u>(18,472,881)</u>	<u>(17,077,631)</u>	<u>1,550,765</u>	<u>18,628,396</u>
Other financing sources (uses):				
Operating transfers-out	<u>(2,070,400)</u>	<u>(3,465,650)</u>	<u>(3,465,650)</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,070,400)</u>	<u>(3,465,650)</u>	<u>(3,465,650)</u>	<u>-</u>
Net changes in fund balances	<u>\$ (20,543,281)</u>	<u>\$ (20,543,281)</u>	<u>(1,914,885)</u>	<u>\$ 18,628,396</u>
Reconciliation of budgetary basis to government fund statement of changes in fund balance:				
Effect of unrecorded assets			(306,893)	
Effect of market value adjustment on investments			(8,702)	
Effect of unrecorded liabilities			493,111	
Effect of due to/from other funds			506	
Beginning fund balances			<u>34,980,355</u>	
Ending fund balances			<u>\$ 33,243,492</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, 2010

	Budgeted Amounts		Budgetary Basis	Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	\$ 10,257,457	\$ 10,257,457	\$ 9,561,296	\$ (696,161)
Revenue from local governments	44,156	44,156	20,410	(23,746)
Earnings on investments	108,000	108,000	50,367	
Miscellaneous revenues	-	-	-	-
	<u>10,409,613</u>	<u>10,409,613</u>	<u>9,632,073</u>	<u>(719,907)</u>
EXPENDITURES				
General government	<u>12,142,666</u>	<u>12,142,666</u>	<u>9,225,477</u>	<u>(2,917,189)</u>
	<u>12,142,666</u>	<u>12,142,666</u>	<u>9,225,477</u>	<u>(2,917,189)</u>
Net changes in fund balances	<u>\$ (1,733,053)</u>	<u>\$ (1,733,053)</u>	406,596	<u>\$ 2,197,282</u>
Reconciliation of budgetary basis to government fund statement of changes in fund balance:				
Effect of unrecorded assets			(521,524)	
Effect of market value adjustment on investments			(2,800)	
Beginning fund balances			<u>9,126,679</u>	
Ending fund balances			<u>\$ 9,008,951</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, 2010

	Budgeted Amounts		Budgetary Basis	Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	\$ 5,770,810	\$ 5,770,810	\$ 86	\$ (5,770,724)
Earnings on investments	<u>400,000</u>	<u>400,000</u>	<u>120,231</u>	<u>(279,769)</u>
	<u>6,170,810</u>	<u>6,170,810</u>	<u>120,317</u>	<u>(6,050,493)</u>
EXPENDITURES				
Debt service	<u>11,000,000</u>	<u>11,000,000</u>	<u>1,870,400</u>	<u>(9,129,600)</u>
	<u>11,000,000</u>	<u>11,000,000</u>	<u>1,870,400</u>	<u>(9,129,600)</u>
Excess of revenues over (under) expenditures	<u>(4,829,190)</u>	<u>(4,829,190)</u>	<u>(1,750,083)</u>	<u>3,079,107</u>
Other financing sources (uses):				
Operating transfers-in	<u>3,500,000</u>	<u>3,465,650</u>	<u>3,465,650</u>	<u>-</u>
Total other financing sources (uses)	<u>3,500,000</u>	<u>3,465,650</u>	<u>3,465,650</u>	<u>-</u>
Net changes in fund balances	<u>\$ (1,329,190)</u>	<u>\$ (1,363,540)</u>	1,715,567	<u>\$ 3,079,107</u>
Reconciliation of budgetary basis to government fund statement of changes in fund balance:				
Effect of unrecorded assets			(5,071)	
Effect of market value adjustment on investments			(7,200)	
Beginning fund balances			<u>20,817,170</u>	
Ending fund balances			<u>\$ 22,520,466</u>	

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

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheet - All General Fund Accounts
December 31, 2010

	General County	General County Escrow	Working Cash	Personal Property Replacement Tax	County Automation	Geographic Information System	Pari- Mutual	Tort Liability
ASSETS								
Cash	\$ 2,336,732	\$ 3,018	\$ -	\$ -	\$ 70,480	\$ -	\$ -	\$ 15,369
Equity in cash and investment pool	2,189,334	9,884,861	1,173,884	20,878,939	(160,752)	287,561	130,729	4,473,691
Accounts receivable	3,239,897	-	-	247,719	15,900	-	-	26,331
Taxes receivable	4,276,486	-	-	-	-	-	-	4,049,092
Interest receivable	37,731	13,199	1,572	-	-	138	-	4,463
Due from other funds	1,959,090	-	-	(301,160)	27,058	(658,808)	-	15,217
Prepaid expenditures	4,167	-	-	-	-	-	-	1,277,642
Total assets	<u>\$ 14,043,437</u>	<u>\$ 9,901,078</u>	<u>\$ 1,175,456</u>	<u>\$ 20,825,498</u>	<u>\$ (47,314)</u>	<u>\$ (371,109)</u>	<u>\$ 130,729</u>	<u>\$ 9,861,805</u>
LIABILITIES AND FUND BALANCE								
Liabilities								
Accounts payable	\$ 238,308	\$ -	\$ -	\$ -	\$ 2,390	\$ 168	\$ -	\$ 80,419
Accrued salaries	1,257,900	-	-	-	3,146	5,136	-	6,903
Due to other funds	2,919	-	-	-	-	-	-	-
Funds held in escrow	-	-	-	-	-	-	-	-
Deferred income	4,554,928	-	-	-	15,900	-	-	4,049,092
Other liabilities	-	-	-	-	-	-	-	1,906,263
Total liabilities	<u>6,054,055</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,436</u>	<u>5,304</u>	<u>-</u>	<u>6,042,677</u>
Fund balance								
Restricted	-	-	-	-	-	-	-	3,819,128
Unrestricted								
Reserved	15,808,942	-	1,175,456	-	-	-	-	-
Undesignated	(7,819,560)	9,901,078	-	20,825,498	(68,750)	(376,413)	130,729	-
Total fund balance	<u>7,989,382</u>	<u>9,901,078</u>	<u>1,175,456</u>	<u>20,825,498</u>	<u>(68,750)</u>	<u>(376,413)</u>	<u>130,729</u>	<u>3,819,128</u>
Total liabilities and fund balance	<u>\$ 14,043,437</u>	<u>\$ 9,901,078</u>	<u>\$ 1,175,456</u>	<u>\$ 20,825,498</u>	<u>\$ (47,314)</u>	<u>\$ (371,109)</u>	<u>\$ 130,729</u>	<u>\$ 9,861,805</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheet - All General Fund Accounts
December 31, 2010

	Capital Replacement	MetroLink Security	Payroll Escrow	Pool	Total General Fund
ASSETS					
Cash	\$ -	\$ -	\$ -	\$ 375,213	\$ 2,800,812
Equity in cash and investment pool	5,901,825	327,635	536,034	617,105	46,240,846
Accounts receivable	-	-	-	-	3,529,847
Taxes receivable	-	-	-	-	8,325,578
Interest receivable	7,341	-	628	-	65,072
Due from other funds	2,283,301	(235,670)	(206,542)	(637)	2,881,849
Prepaid expenditures	-	-	-	-	1,281,809
Total assets	<u>\$ 8,192,467</u>	<u>\$ 91,965</u>	<u>\$ 330,120</u>	<u>\$ 991,681</u>	<u>\$ 65,125,813</u>
LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts payable	\$ 707,829	\$ -	\$ -	\$ -	\$ 1,029,114
Accrued salaries	-	100,160	-	-	1,373,245
Due to other funds	-	-	330,120	75,489	408,528
Funds held in escrow	-	-	-	916,192	916,192
Deferred income	-	-	-	-	8,619,920
Other liabilities	-	-	-	-	1,906,263
Total liabilities	<u>707,829</u>	<u>100,160</u>	<u>330,120</u>	<u>991,681</u>	<u>14,253,262</u>
Fund balance					
Restricted	-	-	-	-	3,819,128
Unrestricted					
Reserved	7,484,638	-	-	-	24,469,036
Undesignated	-	(8,195)	-	-	22,584,387
Total fund balance	<u>7,484,638</u>	<u>(8,195)</u>	<u>-</u>	<u>-</u>	<u>50,872,551</u>
Total liabilities and fund balance	<u>\$ 8,192,467</u>	<u>\$ 91,965</u>	<u>\$ 330,120</u>	<u>\$ 991,681</u>	<u>\$ 65,125,813</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, 2010

	General County	General County Escrow	Working Cash	Personal Property Replacement Tax	County Automation	Geographic Information System	Pari- Mutual	Tort Liability
REVENUES								
Property taxes	\$ 4,273,283	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,057,417
Revenue from federal/state agencies	1,058,406	-	-	-	-	-	-	-
Revenue from local agencies	-	-	-	-	-	155,000	-	205,529
Earnings on investments	1,268,801	51,571	6,075	(35,853)	222	577	-	16,233
Licenses, permits, fines, fees and services	12,261,046	47,279	-	-	139,482	154,139	-	-
State income tax	4,687,652	-	-	-	-	-	-	-
Personal property replacement tax	-	-	-	2,542,983	-	-	-	-
Sales tax	8,560,865	-	-	-	-	-	-	-
Pari-mutual tax	-	-	-	-	-	-	113,669	-
Miscellaneous revenues	18,264	-	-	-	-	-	-	-
	<u>32,128,317</u>	<u>98,850</u>	<u>6,075</u>	<u>2,507,130</u>	<u>139,704</u>	<u>309,716</u>	<u>113,669</u>	<u>4,279,179</u>
EXPENDITURES								
General government	13,586,896	-	-	-	251,142	180,802	14,979	3,241,041
Public safety	11,692,330	-	-	-	-	-	-	-
Judicial	4,907,404	-	-	-	-	-	-	-
Public Health	71,934	-	-	-	-	-	-	-
	<u>30,258,564</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>251,142</u>	<u>180,802</u>	<u>14,979</u>	<u>3,241,041</u>
Excess of revenues over (under) expenditures	<u>1,869,753</u>	<u>98,850</u>	<u>6,075</u>	<u>2,507,130</u>	<u>(111,438)</u>	<u>128,914</u>	<u>98,690</u>	<u>1,038,138</u>
Other financing sources (uses)								
Operating transfers-in	138,050	-	-	-	-	-	-	-
Operating transfers-out	(2,810,048)	-	-	(384,271)	-	(3,886)	-	(593,152)
Intra fund transfers (net)	(990,388)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(3,662,386)</u>	<u>-</u>	<u>-</u>	<u>(384,271)</u>	<u>-</u>	<u>(3,886)</u>	<u>-</u>	<u>(593,152)</u>
Net changes in fund balances	(1,792,633)	98,850	6,075	2,122,859	(111,438)	125,028	98,690	444,986
Beginning fund balances	<u>9,782,015</u>	<u>9,802,228</u>	<u>1,169,381</u>	<u>18,702,639</u>	<u>42,688</u>	<u>(501,441)</u>	<u>32,039</u>	<u>3,374,142</u>
Ending fund balances	\$ <u>7,989,382</u>	\$ <u>9,901,078</u>	\$ <u>1,175,456</u>	\$ <u>20,825,498</u>	\$ <u>(68,750)</u>	\$ <u>(376,413)</u>	\$ <u>130,729</u>	\$ <u>3,819,128</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, 2010

	Capital Replacement	MetroLink Security	Payroll Escrow	Pool	Total General Fund
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 8,330,700
Revenue from federal/state agencies	-	-	-	-	1,058,406
Revenue from local agencies	172	-	-	-	360,701
Earnings on investments	29,692	(66)	-	-	1,337,252
Licenses, permits, fines, fees and services	-	1,320,479	-	-	13,922,425
State income tax	-	-	-	-	4,687,652
Personal property replacement tax	-	-	-	-	2,542,983
Sales tax	-	-	-	-	8,560,865
Pari-mutual tax	-	-	-	-	113,669
Miscellaneous revenues	-	-	-	-	18,264
	<u>29,864</u>	<u>1,320,413</u>	<u>-</u>	<u>-</u>	<u>40,932,917</u>
EXPENDITURES					
General government	468,175	-	-	-	17,743,035
Public safety	-	1,260,545	-	-	12,952,875
Judicial	-	-	-	-	4,907,404
Public Health	-	-	-	-	71,934
	<u>468,175</u>	<u>1,260,545</u>	<u>-</u>	<u>-</u>	<u>35,675,248</u>
Excess of revenues over (under) expenditures	<u>(438,311)</u>	<u>59,868</u>	<u>-</u>	<u>-</u>	<u>5,257,669</u>
Other financing sources (uses)					
Operating transfers-in	-	-	-	-	138,050
Operating transfers-out	(39,778)	-	-	-	(3,831,135)
Intra fund transfers (net)	<u>990,388</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>950,610</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,693,085)</u>
Net changes in fund balances	512,299	59,868	-	-	1,564,584
Beginning fund balances	<u>6,972,339</u>	<u>(68,063)</u>	<u>-</u>	<u>-</u>	<u>49,307,967</u>
Ending fund balances	<u>\$ 7,484,638</u>	<u>\$ (8,195)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,872,551</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheet
Transportation Fund Accounts
December 31, 2010

	County Highway	County Bridge	Matching Tax	Motor Fuel Tax	Highway Special Projects	Highway Equipment Trust	Township Motor Fuel Tax	Township Bridge Fund	Highway Payroll Fund	Total Transportation Fund
ASSETS										
Cash	\$ 586	\$ 34	\$ 47	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 667
Equity in cash and investment pool	8,507,165	4,419,127	5,717,806	5,314,672	8,235,224	329,990	1,053,046	-	341,176	33,918,206
Accounts receivable	-	-	-	232,764	-	435	67,608	-	-	300,807
Taxes receivable	2,556,356	1,019,608	1,390,041	-	-	-	-	-	-	4,966,005
Interest receivable	11,216	5,444	6,702	7,896	12,140	712	1,413	-	-	45,523
Due from other funds	238,854	(5,121)	861	79,583	-	70,461	(53,474)	-	(218,393)	112,771
Total assets	\$ 11,314,177	\$ 5,439,092	\$ 7,115,457	\$ 5,634,915	\$ 8,247,364	\$ 401,598	\$ 1,068,593	\$ -	\$ 122,783	\$ 39,343,979
LIABILITIES AND FUND BALANCE										
Liabilities										
Accounts payable	\$ 184,960	\$ 228,644	\$ 73,949	\$ 6,108	\$ 402,008	\$ 50,819	\$ 65,211	\$ -	\$ -	\$ 1,011,699
Accrued salaries	-	-	-	-	-	-	-	-	122,783	122,783
Deferred income	2,556,356	1,019,608	1,390,041	-	-	-	-	-	-	4,966,005
Total liabilities	2,741,316	1,248,252	1,463,990	6,108	402,008	50,819	65,211	-	122,783	6,100,487
Fund balances										
Restricted	8,572,861	4,190,840	5,651,467	5,628,807	7,845,356	350,779	1,003,382	-	-	33,243,492
Total liabilities and fund balance	\$ 11,314,177	\$ 5,439,092	\$ 7,115,457	\$ 5,634,915	\$ 8,247,364	\$ 401,598	\$ 1,068,593	\$ -	\$ 122,783	\$ 39,343,979

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Transportation Fund Accounts
For the year ended December 31, 2010

	County Highway	County Bridge	Matching Tax	Motor Fuel Tax	Highway Special Projects	Highway Equipment Trust	Township Motor Fuel Tax	Township Bridge Fund	Highway Payroll Fund	Total Transportation Fund
REVENUES										
Property taxes	\$ 2,554,297	\$ 1,019,187	\$ 1,389,113	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,962,597
Motor fuel tax	-	-	-	4,062,185	-	-	994,215	-	-	5,056,400
Licenses, permits, fines, fees and services	11,904	-	-	2,072	-	6,434	-	-	-	20,410
Revenue from local agencies	34,619	-	-	-	-	390,901	-	-	-	425,520
Earnings on investments	44,210	21,120	25,330	30,425	47,658	3,246	5,478	-	-	177,467
	<u>2,645,030</u>	<u>1,040,307</u>	<u>1,414,443</u>	<u>4,094,682</u>	<u>47,658</u>	<u>400,581</u>	<u>999,693</u>	<u>-</u>	<u>-</u>	<u>10,642,394</u>
EXPENDITURES										
Transportation	2,416,780	730,901	610,347	2,407,842	1,264,601	633,049	850,087	-	-	8,913,607
	<u>2,416,780</u>	<u>730,901</u>	<u>610,347</u>	<u>2,407,842</u>	<u>1,264,601</u>	<u>633,049</u>	<u>850,087</u>	<u>-</u>	<u>-</u>	<u>8,913,607</u>
Excess of revenues over (under) expenditures	<u>228,250</u>	<u>309,406</u>	<u>804,096</u>	<u>1,686,840</u>	<u>(1,216,943)</u>	<u>(232,468)</u>	<u>149,606</u>	<u>-</u>	<u>-</u>	<u>1,728,787</u>
Other financing sources (uses)										
Operating transfers-out	(565,650)	-	-	(2,900,000)	-	-	-	-	-	(3,465,650)
Total other financing sources (uses)	<u>(565,650)</u>	<u>-</u>	<u>-</u>	<u>(2,900,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,465,650)</u>
Net changes in fund balances	(337,400)	309,406	804,096	(1,213,160)	(1,216,943)	(232,468)	149,606	-	-	(1,736,863)
Beginning fund balances	<u>8,910,261</u>	<u>3,881,434</u>	<u>4,847,371</u>	<u>6,841,967</u>	<u>9,062,299</u>	<u>583,247</u>	<u>853,776</u>	<u>-</u>	<u>-</u>	<u>34,980,355</u>
Ending fund balances	<u>\$ 8,572,861</u>	<u>\$ 4,190,840</u>	<u>\$ 5,651,467</u>	<u>\$ 5,628,807</u>	<u>\$ 7,845,356</u>	<u>\$ 350,779</u>	<u>\$ 1,003,382</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,243,492</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheets - All Nonmajor Governmental Funds
December 31, 2010

	Social Security	Retirement Fund	Sale and Error	Indemnity	Recorder's Office Escrow	Trustee Demolition Fund	Tourism Fund	Metro-East Park & Recreation	Veteran's Assistance	Office on Aging
ASSETS										
Cash	\$ 92	\$ 163	\$ 298,150	\$ 141,280	\$ -	\$ 657,226	\$ -	\$ -	\$ 11	\$ -
Equity in cash and investment pool	5,360,872	4,707,059	390,606	999,280	1,228,425	1,805,994	41,290	3,314,837	202,171	46,749
Accounts receivable	14,037	20,444	54,396	31,763	-	305,476	1,082	181,583	-	7,694
Taxes receivable	2,761,745	4,863,311	-	-	-	-	-	-	326,421	-
Interest receivable	6,029	4,171	540	-	1,725	2,830	58	5,104	-	-
Prepaid expenditures	-	-	-	-	-	-	-	-	-	-
Due from other funds	78,499	13,313	-	-	100	-	-	-	2,567	-
Total assets	<u>\$ 8,221,274</u>	<u>\$ 9,608,461</u>	<u>\$ 743,692</u>	<u>\$ 1,172,323</u>	<u>\$ 1,230,250</u>	<u>\$ 2,771,526</u>	<u>\$ 42,430</u>	<u>\$ 3,501,524</u>	<u>\$ 531,170</u>	<u>\$ 54,443</u>
LIABILITIES AND FUND BALANCE										
Liabilities										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,072	\$ -	\$ 22,934	\$ 8,337	\$ 7,026
Accrued salaries	-	-	-	-	5,591	-	-	3,053	3,251	150
Accrued payroll related costs	153,164	323,205	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	357,130	-	-	100,000	47,275
Deferred income	2,761,745	4,863,311	54,397	31,763	-	305,476	-	-	326,421	-
Total liabilities	<u>2,914,909</u>	<u>5,186,516</u>	<u>54,397</u>	<u>31,763</u>	<u>5,591</u>	<u>709,678</u>	<u>-</u>	<u>25,987</u>	<u>438,009</u>	<u>54,451</u>
Fund balances										
Restricted	<u>5,306,365</u>	<u>4,421,945</u>	<u>689,295</u>	<u>1,140,560</u>	<u>1,224,659</u>	<u>2,061,848</u>	<u>42,430</u>	<u>3,475,537</u>	<u>93,161</u>	<u>(8)</u>
Total fund balance	<u>5,306,365</u>	<u>4,421,945</u>	<u>689,295</u>	<u>1,140,560</u>	<u>1,224,659</u>	<u>2,061,848</u>	<u>42,430</u>	<u>3,475,537</u>	<u>93,161</u>	<u>(8)</u>
Total liabilities and fund balance	<u>\$ 8,221,274</u>	<u>\$ 9,608,461</u>	<u>\$ 743,692</u>	<u>\$ 1,172,323</u>	<u>\$ 1,230,250</u>	<u>\$ 2,771,526</u>	<u>\$ 42,430</u>	<u>\$ 3,501,524</u>	<u>\$ 531,170</u>	<u>\$ 54,443</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheets - All Nonmajor Governmental Funds
December 31, 2010

	General Grants	County Health	Landfill Surcharge	Mental Health	Civil Defense Emergency	Emergency Telephone System	Pet Population	Court Services Accounts		
								Court Automation	Court Document Storage	Circuit Clerk Title IV-D BSCE
ASSETS										
Cash	\$ -	\$ 1,769	\$ -	\$ 1,576	\$ -	\$ 500	\$ -	\$ 15,416	\$ 39,790	\$ -
Equity in cash and investment pool	78,801	2,400,439	11,386,015	2,055,407	383,796	2,914,807	186,230	130,851	131,329	48,461
Accounts receivable	89,082	1,380,976	259,942	-	-	276,856	-	-	-	22,723
Taxes receivable	-	575,822	-	2,259,276	-	-	-	-	-	-
Interest receivable	-	2,853	17,678	2,204	513	4,653	221	92	166	64
Prepaid expenditures	-	19,669	-	-	-	-	-	-	-	-
Due from other funds	2,887	41,720	376,644	11,946	-	11,195	-	41,906	34,315	-
Total assets	\$ 170,770	\$ 4,423,248	\$ 12,040,279	\$ 4,330,409	\$ 384,309	\$ 3,208,011	\$ 186,451	\$ 188,265	\$ 205,600	\$ 71,248
LIABILITIES AND FUND BALANCE										
Liabilities										
Accounts payable	\$ 227,941	\$ 233,907	\$ 112,871	\$ 283,592	\$ -	\$ 39,687	\$ 1,037	\$ 86	\$ 14,305	\$ 24
Accrued salaries	4,891	97,311	162,094	6,895	-	17,827	-	8,945	10,422	4,226
Accrued payroll related costs	-	-	-	-	-	-	-	-	-	-
Due to other funds	59,686	5,212	2,102	-	-	3,038	-	11,709	-	-
Deferred income	6,986	747,434	-	2,259,276	-	-	-	-	-	-
Total liabilities	299,504	1,083,864	277,067	2,549,763	-	60,552	1,037	20,740	24,727	4,250
Fund balances										
Restricted	(128,734)	3,339,384	11,763,212	1,780,646	384,309	3,147,459	185,414	167,525	180,873	66,998
Total fund balance	(128,734)	3,339,384	11,763,212	1,780,646	384,309	3,147,459	185,414	167,525	180,873	66,998
Total liabilities and fund balance	\$ 170,770	\$ 4,423,248	\$ 12,040,279	\$ 4,330,409	\$ 384,309	\$ 3,208,011	\$ 186,451	\$ 188,265	\$ 205,600	\$ 71,248

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheets - All Nonmajor Governmental Funds
December 31, 2010

	Court Services Accounts (continued)									
	Maintenance/ Child Support Collection	Custody Exchange	Law Library	Bailiff	Total Court Services	State's Attorney Title IV-D BSCE	Childrens Advocacy Center	ACCS State's Attorney	State's Attorney Forfeiture	Probation Services
ASSETS										
Cash	\$ -	\$ -	\$ -	\$ 49,704	\$ 104,910	\$ -	\$ 2	\$ -	\$ -	\$ 17,515
Equity in cash and investment pool	1,823,027	2,348	223,169	772,152	3,131,337	(6,184)	53,101	42,193	11,165	1,205,131
Accounts receivable	-	-	-	-	22,723	162,150	-	-	-	-
Taxes receivable	-	-	-	-	-	-	62,350	-	-	-
Interest receivable	2,387	22	255	1,172	4,158	-	63	63	16	1,663
Prepaid expenditures	-	-	-	-	-	-	-	-	-	-
Due from other funds	250	-	1,356	21,684	99,511	-	-	-	-	31,825
Total assets	\$ 1,825,664	\$ 2,370	\$ 224,780	\$ 844,712	\$ 3,362,639	\$ 155,966	\$ 115,516	\$ 42,256	\$ 11,181	\$ 1,256,134
LIABILITIES AND FUND BALANCE										
Liabilities										
Accounts payable	\$ -	\$ -	\$ 12,921	\$ 328	\$ 27,664	\$ 58	\$ -	\$ -	\$ -	\$ 8,632
Accrued salaries	1,034	-	431	58,836	83,894	14,207	-	-	-	19,029
Accrued payroll related costs	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	11,709	85,054	-	-	-	-
Deferred income	-	-	-	-	-	23,050	62,350	-	-	-
Total liabilities	1,034	-	13,352	59,164	123,267	122,369	62,350	-	-	27,661
Fund balances										
Restricted	1,824,630	2,370	211,428	785,548	3,239,372	33,597	53,166	42,256	11,181	1,228,473
Total fund balance	1,824,630	2,370	211,428	785,548	3,239,372	33,597	53,166	42,256	11,181	1,228,473
Total liabilities and fund balance	\$ 1,825,664	\$ 2,370	\$ 224,780	\$ 844,712	\$ 3,362,639	\$ 155,966	\$ 115,516	\$ 42,256	\$ 11,181	\$ 1,256,134

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheets - All Nonmajor Governmental Funds
December 31, 2010

								Law Enforcement and Prosecution Grants		
	Mental Health Court	Detention Home	Coroner's Fund	County Drug Traffic Prevention	Sheriff's DUI Fund	Sheriff's Asset Forfeiture	Commissary Fund	Jail Medical	Victim Witness Grant	Domestic Violence Advocate Grant
ASSETS										
Cash	\$ 783	\$ 15	\$ -	\$ 435	\$ 836	\$ -	\$ -	\$ 315	\$ -	\$ -
Equity in cash and investment pool	25,930	180,097	9,979	181,773	17,128	212,003	38,205	174	6,720	13,983
Accounts receivable	-	433,242	-	-	-	-	-	-	13,750	10,885
Taxes receivable	-	432,783	-	-	-	-	-	-	-	-
Interest receivable	64	639	2	264	77	286	-	3	19	17
Prepaid expenditures	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	30,202	-	-	2,819	-	1,168	-	-	-
Total assets	<u>\$ 26,777</u>	<u>\$ 1,076,978</u>	<u>\$ 9,981</u>	<u>\$ 182,472</u>	<u>\$ 20,860</u>	<u>\$ 212,289</u>	<u>\$ 39,373</u>	<u>\$ 492</u>	<u>\$ 20,489</u>	<u>\$ 24,885</u>
LIABILITIES AND FUND BALANCE										
Liabilities										
Accounts payable	\$ 70	\$ 4,842	\$ 1,243	\$ 356	\$ 3,979	\$ 3,219	\$ 26,088	\$ -	\$ -	\$ -
Accrued salaries	1,999	48,598	-	4,231	-	492	-	-	1,719	1,277
Accrued payroll related costs	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	31,936	-	6,785	-	-	61,730	-	16,935	9,302
Deferred income	-	432,783	-	12,093	-	-	-	-	-	-
Total liabilities	<u>2,069</u>	<u>518,159</u>	<u>1,243</u>	<u>23,465</u>	<u>3,979</u>	<u>3,711</u>	<u>87,818</u>	<u>-</u>	<u>18,654</u>	<u>10,579</u>
Fund balances										
Restricted	<u>24,708</u>	<u>558,819</u>	<u>8,738</u>	<u>159,007</u>	<u>16,881</u>	<u>208,578</u>	<u>(48,445)</u>	<u>492</u>	<u>1,835</u>	<u>14,306</u>
Total fund balance	<u>24,708</u>	<u>558,819</u>	<u>8,738</u>	<u>159,007</u>	<u>16,881</u>	<u>208,578</u>	<u>(48,445)</u>	<u>492</u>	<u>1,835</u>	<u>14,306</u>
Total liabilities and fund balance	<u>\$ 26,777</u>	<u>\$ 1,076,978</u>	<u>\$ 9,981</u>	<u>\$ 182,472</u>	<u>\$ 20,860</u>	<u>\$ 212,289</u>	<u>\$ 39,373</u>	<u>\$ 492</u>	<u>\$ 20,489</u>	<u>\$ 24,885</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheets - All Nonmajor Governmental Funds
December 31, 2010

	Law Enforcement and Prosecution Grants (continued)				
	Project Renee Grant	Auto Task Force Grant	DUI/Alcohol Traffic Safety Grant	Total Law Enforcement & Prosecution Grants	Total All Nonmajor Governmental Funds
ASSETS					
Cash	\$ -	\$ -	\$ -	\$ -	\$ 1,225,578
Equity in cash and investment pool	(1,739)	(3,536)	24,886	40,314	42,645,124
Accounts receivable	122,632	9,766	34,172	191,205	3,432,651
Taxes receivable	-	-	-	-	11,281,708
Interest receivable	-	-	30	66	55,943
Prepaid expenditures	-	-	-	-	19,669
Due from other funds	-	1,653	-	1,653	706,049
Total assets	<u>\$ 120,893</u>	<u>\$ 7,883</u>	<u>\$ 59,088</u>	<u>\$ 233,238</u>	<u>\$ 59,366,722</u>
LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts payable	\$ 26,004	\$ -	\$ -	\$ 26,004	\$ 1,086,559
Accrued salaries	17,435	5,138	1,365	26,934	500,447
Accrued payroll related costs	-	-	-	-	476,369
Due to other funds	112,399	17,801	58,981	215,418	987,075
Deferred income	-	-	-	-	11,887,085
Total liabilities	<u>155,838</u>	<u>22,939</u>	<u>60,346</u>	<u>268,356</u>	<u>14,937,535</u>
Fund balances					
Restricted	<u>(34,945)</u>	<u>(15,056)</u>	<u>(1,258)</u>	<u>(35,118)</u>	<u>44,429,187</u>
Total fund balance	<u>(34,945)</u>	<u>(15,056)</u>	<u>(1,258)</u>	<u>(35,118)</u>	<u>44,429,187</u>
Total liabilities and fund balance	<u>\$ 120,893</u>	<u>\$ 7,883</u>	<u>\$ 59,088</u>	<u>\$ 233,238</u>	<u>\$ 59,366,722</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, 2010

	Social Security	Retirement Fund	Sale and Error	Indemnity	Recorders Office Escrow	Trustee Demolition Fund	Tourism Fund	Metro-East Park & Recreation	Veterans Assistance	Office on Aging
REVENUES										
Property taxes	\$ 2,758,481	\$ 4,853,696	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 325,947	\$ -
Hotel/motel tax	-	-	-	-	-	-	14,204	-	-	-
Licenses, permits, fines, fees and services	-	-	503,170	213,160	222,283	-	-	4,309	-	-
Revenue from federal/state agencies	-	-	-	-	-	-	-	20,284	-	84,592
Revenue from local agencies	-	-	-	-	-	712,362	-	1,486,992	-	-
Earnings on investments	22,762	14,420	2,002	(200)	6,796	11,610	233	20,359	22	-
Miscellaneous revenues	-	-	-	-	-	-	-	-	63	-
	<u>2,781,243</u>	<u>4,868,116</u>	<u>505,172</u>	<u>212,960</u>	<u>229,079</u>	<u>723,972</u>	<u>14,437</u>	<u>1,531,944</u>	<u>326,032</u>	<u>84,592</u>
EXPENDITURES										
General government	2,073,762	4,446,593	209,200	-	320,948	1,249,054	10,000	1,769,926	307,260	84,600
Public safety	-	-	-	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	-	-	-
	<u>2,073,762</u>	<u>4,446,593</u>	<u>209,200</u>	<u>-</u>	<u>320,948</u>	<u>1,249,054</u>	<u>10,000</u>	<u>1,769,926</u>	<u>307,260</u>	<u>84,600</u>
Excess of revenues over (under) expenditures	<u>707,481</u>	<u>421,523</u>	<u>295,972</u>	<u>212,960</u>	<u>(91,869)</u>	<u>(525,082)</u>	<u>4,437</u>	<u>(237,982)</u>	<u>18,772</u>	<u>(8)</u>
Other financing sources (uses)										
Operating transfers-in	-	384,271	-	-	-	-	-	-	-	-
Operating transfers-out	(64,350)	(91,960)	-	(138,050)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(64,350)</u>	<u>292,311</u>	<u>-</u>	<u>(138,050)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	643,131	713,834	295,972	74,910	(91,869)	(525,082)	4,437	(237,982)	18,772	(8)
Beginning fund balances	<u>4,663,234</u>	<u>3,708,111</u>	<u>393,323</u>	<u>1,065,650</u>	<u>1,316,528</u>	<u>2,586,930</u>	<u>37,993</u>	<u>3,713,519</u>	<u>74,389</u>	<u>-</u>
Ending fund balances	<u>\$ 5,306,365</u>	<u>\$ 4,421,945</u>	<u>\$ 689,295</u>	<u>\$ 1,140,560</u>	<u>\$ 1,224,659</u>	<u>\$ 2,061,848</u>	<u>\$ 42,430</u>	<u>\$ 3,475,537</u>	<u>\$ 93,161</u>	<u>\$ (8)</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, 2010

	General Grants	County Health	Landfill Surcharge	Mental Health	Civil Defense Emergency	Emergency Telephone System	Pet Population	Court Services Accounts		
								Court Automation	Court Document Storage	Circuit Clerk Title IV-D BSCE
REVENUES										
Property taxes	\$ -	\$ 575,053	\$ -	\$ 2,259,356	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel/motel tax	-	-	-	-	-	-	-	-	-	-
Licenses, permits, fines, fees and services	-	291,813	1,133,842	-	-	2,093,974	46,433	433,241	504,886	-
Revenue from federal/state agencies	1,035,187	4,765,249	-	74,504	-	-	-	-	-	117,524
Revenue from local agencies	-	469,598	-	-	-	-	-	-	-	-
Earnings on investments	-	11,133	70,845	8,304	2,016	17,791	914	417	706	277
Miscellaneous revenues	-	-	-	-	-	11,481	-	-	-	-
	<u>1,035,187</u>	<u>6,112,846</u>	<u>1,204,687</u>	<u>2,342,164</u>	<u>2,016</u>	<u>2,123,246</u>	<u>47,347</u>	<u>433,658</u>	<u>505,592</u>	<u>117,801</u>
EXPENDITURES										
General government	211,060	-	906,429	-	-	-	-	-	-	-
Public safety	525,340	-	-	-	-	2,429,023	12,031	-	-	-
Public health	398,146	5,889,138	2,182,432	2,394,036	-	-	-	-	-	-
Judicial	7,768	-	-	-	-	-	-	306,950	460,350	117,737
	<u>1,142,314</u>	<u>5,889,138</u>	<u>3,088,861</u>	<u>2,394,036</u>	<u>-</u>	<u>2,429,023</u>	<u>12,031</u>	<u>306,950</u>	<u>460,350</u>	<u>117,737</u>
Excess of revenues over (under) expenditures	<u>(107,127)</u>	<u>223,708</u>	<u>(1,884,174)</u>	<u>(51,872)</u>	<u>2,016</u>	<u>(305,777)</u>	<u>35,316</u>	<u>126,708</u>	<u>45,242</u>	<u>64</u>
Other financing sources (uses)										
Operating transfers-in	10,822	-	-	-	-	-	-	-	-	9,063
Operating transfers-out	-	-	-	(35,739)	-	-	-	-	-	-
Total other financing sources (uses)	<u>10,822</u>	<u>-</u>	<u>-</u>	<u>(35,739)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,063</u>
Net changes in fund balances	(96,305)	223,708	(1,884,174)	(87,611)	2,016	(305,777)	35,316	126,708	45,242	9,127
Beginning fund balances	<u>(32,429)</u>	<u>3,115,676</u>	<u>13,647,386</u>	<u>1,868,257</u>	<u>382,293</u>	<u>3,453,236</u>	<u>150,098</u>	<u>40,817</u>	<u>135,631</u>	<u>57,871</u>
Ending fund balances	<u>\$ (128,734)</u>	<u>\$ 3,339,384</u>	<u>\$ 11,763,212</u>	<u>\$ 1,780,646</u>	<u>\$ 384,309</u>	<u>\$ 3,147,459</u>	<u>\$ 185,414</u>	<u>\$ 167,525</u>	<u>\$ 180,873</u>	<u>\$ 66,998</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, 2010

Court Services Accounts (continued)										
	Maintenance/ Child Support Collection	Custody Exchange	Law Library	Bailiff	Total Court Services	State's Attorney Title IV-D BSCE	Childrens Advocacy Center	ACCS State's Attorney	State's Attorney Forfeiture	Probation Services
REVENUES										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,363	\$ -	\$ -	\$ -
Hotel/motel tax	-	-	-	-	-	-	-	-	-	-
Licenses, permits, fines, fees and services	114,921	91,104	237,998	1,148,236	2,530,386	-	-	11,736	14,113	403,514
Revenue from federal/state agencies	-	-	-	-	117,524	691,993	-	-	-	179,352
Revenue from local agencies	-	-	-	-	-	-	-	-	-	288,166
Earnings on investments	9,331	80	930	4,728	16,469	-	256	257	66	6,572
Miscellaneous revenues	-	-	-	-	-	-	-	-	-	-
	<u>124,252</u>	<u>91,184</u>	<u>238,928</u>	<u>1,152,964</u>	<u>2,664,379</u>	<u>691,993</u>	<u>62,619</u>	<u>11,993</u>	<u>14,179</u>	<u>877,604</u>
EXPENDITURES										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	1,254,097	1,254,097	-	-	-	-	851,067
Public health	-	-	-	-	-	-	-	-	-	-
Judicial	46,987	92,325	173,795	-	1,198,144	609,373	65,000	18,000	2,998	-
	<u>46,987</u>	<u>92,325</u>	<u>173,795</u>	<u>1,254,097</u>	<u>2,452,241</u>	<u>609,373</u>	<u>65,000</u>	<u>18,000</u>	<u>2,998</u>	<u>851,067</u>
Excess of revenues over (under) expenditures	<u>77,265</u>	<u>(1,141)</u>	<u>65,133</u>	<u>(101,133)</u>	<u>212,138</u>	<u>82,620</u>	<u>(2,381)</u>	<u>(6,007)</u>	<u>11,181</u>	<u>26,537</u>
Other financing sources (uses)										
Operating transfers-in	-	-	-	-	9,063	-	-	-	-	-
Operating transfers-out	-	-	-	-	-	-	-	-	-	(34,366)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,063</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,366)</u>
Net changes in fund balances	77,265	(1,141)	65,133	(101,133)	221,201	82,620	(2,381)	(6,007)	11,181	(7,829)
Beginning fund balances	<u>1,747,365</u>	<u>3,511</u>	<u>146,295</u>	<u>886,681</u>	<u>3,018,171</u>	<u>(49,023)</u>	<u>55,547</u>	<u>48,263</u>	<u>-</u>	<u>1,236,302</u>
Ending fund balances	<u>\$ 1,824,630</u>	<u>\$ 2,370</u>	<u>\$ 211,428</u>	<u>\$ 785,548</u>	<u>\$ 3,239,372</u>	<u>\$ 33,597</u>	<u>\$ 53,166</u>	<u>\$ 42,256</u>	<u>\$ 11,181</u>	<u>\$ 1,228,473</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, 2010

									Law Enforcement and Prosecution Grants	
	Mental Health Court	Detention Home	Coroner's Fund	County Drug Traffic Prevention	Sheriff's DUI Fund	Sheriff's Asset Forfeiture	Commissary fund	Jail Medical	Victim Witness Grant	Domestic Violence Advocate Grant
REVENUES										
Property taxes	\$ -	\$ 432,160	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel/motel tax	-	-	-	-	-	-	-	-	-	-
Licenses, permits, fines, fees and services	16,059	-	9,978	26,723	18,863	136,623	191,366	3,765	-	-
Revenue from federal/state agencies	-	1,004,023	-	108,110	-	-	-	-	28,200	37,228
Revenue from local agencies	-	10,471	-	-	-	16,903	-	-	-	-
Earnings on investments	282	3,160	3	1,076	347	1,126	6	9	87	74
Miscellaneous revenues	-	-	-	-	-	-	-	-	-	-
	<u>16,341</u>	<u>1,449,814</u>	<u>9,981</u>	<u>135,909</u>	<u>19,210</u>	<u>154,652</u>	<u>191,372</u>	<u>3,774</u>	<u>28,287</u>	<u>37,302</u>
EXPENDITURES										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	1,620,239	1,243	181,887	79,832	160,569	250,216	3,529	-	-
Public health	-	-	-	-	-	-	-	-	-	-
Judicial	38,119	-	-	-	-	-	-	-	44,871	38,707
	<u>38,119</u>	<u>1,620,239</u>	<u>1,243</u>	<u>181,887</u>	<u>79,832</u>	<u>160,569</u>	<u>250,216</u>	<u>3,529</u>	<u>44,871</u>	<u>38,707</u>
Excess of revenues over (under) expenditures	<u>(21,778)</u>	<u>(170,425)</u>	<u>8,738</u>	<u>(45,978)</u>	<u>(60,622)</u>	<u>(5,917)</u>	<u>(58,844)</u>	<u>245</u>	<u>(16,584)</u>	<u>(1,405)</u>
Other financing sources (uses)										
Operating transfers-in	-	-	-	27,775	-	-	-	-	19,926	15,813
Operating transfers-out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,775</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,926</u>	<u>15,813</u>
Net changes in fund balances	(21,778)	(170,425)	8,738	(18,203)	(60,622)	(5,917)	(58,844)	245	3,342	14,408
Beginning fund balances	<u>46,486</u>	<u>729,244</u>	<u>-</u>	<u>177,210</u>	<u>77,503</u>	<u>214,495</u>	<u>10,399</u>	<u>247</u>	<u>(1,507)</u>	<u>(102)</u>
Ending fund balances	<u>\$ 24,708</u>	<u>\$ 558,819</u>	<u>\$ 8,738</u>	<u>\$ 159,007</u>	<u>\$ 16,881</u>	<u>\$ 208,578</u>	<u>\$ (48,445)</u>	<u>\$ 492</u>	<u>\$ 1,835</u>	<u>\$ 14,306</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, 2010

	Law Enforcement and Prosecution Grants (continued)						
	Project Renee Grant	Auto Task Force Grant	DUI/Alcohol Traffic Safety Grant	Total Law Enforcement & Prosecution Grants	Total All Nonmajor Governmental Funds	Budgetary Basis	Final Budget
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 11,267,056	\$ 11,881,056	\$ 11,539,751
Hotel/motel tax	-	-	-	-	14,204	14,338	14,000
Licenses, permits, fines, fees and services	-	-	-	-	7,872,110	8,287,792	15,687,662
Revenue from federal/state agencies	423,332	76,596	158,178	723,534	8,804,352	8,544,990	11,297,870
Revenue from local agencies	-	-	-	-	2,984,492	2,668,803	720,000
Earnings on investments	-	-	117	278	218,914	237,402	890,100
Miscellaneous revenues	-	-	-	-	11,544	11,544	1,057
	<u>423,332</u>	<u>76,596</u>	<u>158,295</u>	<u>723,812</u>	<u>31,172,672</u>	<u>31,645,925</u>	<u>40,150,440</u>
EXPENDITURES							
General government	-	-	-	-	11,588,832	10,705,378	18,122,878
Public safety	372,330	96,300	134,810	603,440	7,972,513	8,353,753	22,112,981
Public health	-	-	-	-	10,863,752	11,272,716	12,255,280
Judicial	159,767	-	-	243,345	2,182,747	1,974,483	4,594,342
	<u>532,097</u>	<u>96,300</u>	<u>134,810</u>	<u>846,785</u>	<u>32,607,844</u>	<u>32,306,330</u>	<u>57,085,481</u>
Excess of revenues over (under) expenditures	<u>(108,765)</u>	<u>(19,704)</u>	<u>23,485</u>	<u>(122,973)</u>	<u>(1,435,172)</u>	<u>(660,405)</u>	<u>(16,935,041)</u>
Other financing sources (uses)							
Operating transfers-in	107,591	20,071	-	163,401	595,332	595,333	180,000
Operating transfers-out	-	-	-	-	(364,465)	(208,155)	-
Total other financing sources (uses)	<u>107,591</u>	<u>20,071</u>	<u>-</u>	<u>163,401</u>	<u>230,867</u>	<u>387,178</u>	<u>180,000</u>
Net changes in fund balances	(1,174)	367	23,485	40,428	(1,204,305)	\$ (273,227)	\$ (16,755,041)
Beginning fund balances	<u>(33,771)</u>	<u>(15,423)</u>	<u>(24,743)</u>	<u>(75,546)</u>	<u>45,633,492</u>		
Ending fund balances	<u>\$ (34,945)</u>	<u>\$ (15,056)</u>	<u>\$ (1,258)</u>	<u>\$ (35,118)</u>	<u>\$ 44,429,187</u>	<u>\$ (273,227)</u>	<u>\$ (16,755,041)</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheet
Internal Service Funds
December 31, 2010

	Employees' Medical Trust Fund	Unemployment Trust	Total
ASSETS			
Cash	\$ 25	\$ -	\$ 25
Equity in cash and investment pool	3,739,862	838,452	4,578,314
Accounts receivable	256,186	-	256,186
Interest receivable	7,355	1,402	8,757
Due from other funds	6,970	-	6,970
	<u>4,010,398</u>	<u>839,854</u>	<u>4,850,252</u>
Total assets			
	<u>4,010,398</u>	<u>839,854</u>	<u>4,850,252</u>
LIABILITIES			
Accrued salaries	5,674	-	5,674
Accrued payroll related costs	-	27,744	27,744
Due to other funds	11,695	-	11,695
Other liabilities	1,405,363	-	1,405,363
Deferred income	76,444	-	76,444
	<u>1,499,176</u>	<u>27,744</u>	<u>1,526,920</u>
Total liabilities			
	<u>1,499,176</u>	<u>27,744</u>	<u>1,526,920</u>
NET ASSETS			
	<u>\$ 2,511,222</u>	<u>\$ 812,110</u>	<u>\$ 3,323,332</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Internal Service Funds
For the year ended December 31, 2010

	Employees' Medical Trust Fund	Unemployment Trust	Total
Revenues			
Insurance premiums	\$ 9,062,920	\$ -	\$ 9,062,920
Total revenue	<u>9,062,920</u>	<u>-</u>	<u>9,062,920</u>
Expenses			
Insurance claims and premiums	10,631,232	249,288	10,880,520
Post employment benefit contribution	289,172	-	289,172
Other	<u>459,869</u>	<u>1,391</u>	<u>461,260</u>
Total expenses	<u>11,380,273</u>	<u>250,679</u>	<u>11,630,952</u>
Operating income (loss)	(2,317,353)	(250,679)	(2,568,032)
Other income			
Investment income	30,668	5,792	36,460
Miscellaneous	<u>3,220</u>	<u>-</u>	<u>3,220</u>
	<u>33,888</u>	<u>5,792</u>	<u>39,680</u>
Net income (loss)	(2,283,465)	(244,887)	(2,528,352)
Net assets - beginning of year	<u>4,794,687</u>	<u>1,056,997</u>	<u>5,851,684</u>
Net assets - end of year	<u>\$ 2,511,222</u>	<u>\$ 812,110</u>	<u>\$ 3,323,332</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Cash Flows
Internal Service Funds
For the year ended December 31, 2010

	Employees' Medical Trust Fund	Unemployment Trust	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments from customers	\$ 1,337,448	\$ -	\$ 1,337,448
Payments from interfund services provided	7,666,303		7,666,303
Payments to vendors	(10,743,043)	(358,557)	(11,101,600)
Payments to employees	(146,914)	-	(146,914)
Net cash provided (used) by operating activities	(1,886,206)	(358,557)	(2,244,763)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment interest	33,260	6,423	39,683
Redemption (purchases) of investments, net	1,852,946	352,134	2,205,080
Net cash provided (used) by investing activities	1,886,206	358,557	2,244,763
Net increase (decrease) in cash and cash equivalents	-	-	-
Cash and cash equivalents - beginning of year	25	-	25
Cash and cash equivalents - end of year	\$ 25	\$ -	\$ 25

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Cash Flows
Internal Service Funds
(continued)
For the year ended December 31, 2010

	Employees' Medical Trust Fund	Unemployment Trust	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (2,314,133)	\$ (250,679)	\$ (2,564,812)
Adjustments to reconcile			
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(204,196)	-	(204,196)
(Increase) decrease in due to other funds	(963)	-	(963)
Increase (decrease) in accrued wages and related costs	567	(107,878)	(107,311)
Increase (decrease) in other liabilities	654,663	-	654,663
Increase (decrease) in due to other funds	1,653	-	1,653
Increase (decrease) in deferred income	<u>(23,797)</u>	<u>-</u>	<u>(23,797)</u>
Net cash provided (used) by operating activities	<u>\$ (1,886,206)</u>	<u>\$ (358,557)</u>	<u>\$ (2,244,763)</u>

SCHEDULE OF NON-CASH FINANCING AND INVESTING ACTIVITIES

Decrease in market value of investments	\$ 200	\$ 100	\$ 300
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ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheet
Fiduciary Funds - Agency Funds
December 31, 2010

	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	Inheritance Tax	Condemnation Fund
ASSETS									
Cash	\$ 1,106,713	\$ 267,112	\$ 563,033	\$ 1,173,468	\$ -	\$ 115,530	\$ -	\$ -	\$ -
Investments	-	-	-	1,357,141	-	-	-	-	-
Equity in cash and investment pool	2,600,816	-	-	-	111,056	-	12,800	405	2,007,873
Accounts receivable	-	-	-	-	-	-	-	-	-
Interest receivable	4,312	-	-	-	-	-	-	-	4,417
Total assets	\$ 3,711,841	\$ 267,112	\$ 563,033	\$ 2,530,609	\$ 111,056	\$ 115,530	\$ 12,800	\$ 405	\$ 2,012,290
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ 45,990	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to taxing districts	492,412	-	-	-	-	-	-	-	-
Held pending protested tax settlement	2,600,365	-	-	-	-	-	-	-	-
Funds held in escrow	619,064	267,112	517,043	2,530,609	111,056	115,530	12,800	405	2,012,290
Total liabilities	\$ 3,711,841	\$ 267,112	\$ 563,033	\$ 2,530,609	\$ 111,056	\$ 115,530	\$ 12,800	\$ 405	\$ 2,012,290

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheet
Fiduciary Funds - Agency Funds
December 31, 2010

	Estates of Deceased Persons	County Escheat	Township Pauper Relief	Flood Prevention District	Total
ASSETS					
Cash	\$ -	\$ -	\$ -	\$ -	\$ 3,225,856
Investments	-	-	-	-	1,357,141
Equity in cash and investment pool	58,565	8,588	-	240,547	5,040,650
Accounts receivable	-	-	-	1,474,574	1,474,574
Interest receivable	81	11	-	2,467	11,288
Total assets	<u>\$ 58,646</u>	<u>\$ 8,599</u>	<u>\$ -</u>	<u>\$ 1,717,588</u>	<u>\$ 11,109,509</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 45,990
Due to taxing districts	-	-	-	-	492,412
Held pending protested tax settlement	-	-	-	-	2,600,365
Funds held in escrow	58,646	8,599	-	1,717,588	7,970,742
Total liabilities	<u>\$ 58,646</u>	<u>\$ 8,599</u>	<u>\$ -</u>	<u>\$ 1,717,588</u>	<u>\$ 11,109,509</u>

STATISTICAL SECTION

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

	2010	2009	2008	2007	2006*	2005*	2004*	2003*
<u>Governmental activities</u>								
General government	\$ 21,451	\$ 16,133	\$ 15,976	\$ 15,607	\$ 16,811	\$ 15,464	\$ 16,609	\$ 14,026
Public safety	33,139	32,692	31,560	30,493	31,353	27,437	25,578	24,253
Judicial	11,697	11,446	10,720	10,930	9,553	10,096	9,968	9,814
Transportation	10,805	7,101	8,677	9,836	9,265	8,412	9,339	9,977
Public health	14,034	12,066	12,047	9,693	9,281	8,637	8,865	8,149
Interest on long-term debt	<u>802</u>	<u>823</u>	<u>839</u>	<u>874</u>	<u>896</u>	<u>912</u>	<u>1,032</u>	<u>1,135</u>
	91,928	80,261	79,819	77,433	77,159	70,958	71,391	67,354
<u>Business-type activities</u>								
Airport operations	<u>18,797</u>	<u>19,176</u>	<u>20,717</u>	<u>19,196</u>	<u>18,294</u>	<u>17,134</u>	<u>15,257</u>	<u>16,797</u>
	<u>\$ 110,725</u>	<u>\$ 99,437</u>	<u>\$ 100,536</u>	<u>\$ 96,629</u>	<u>\$ 95,453</u>	<u>\$ 88,092</u>	<u>\$ 86,648</u>	<u>\$ 84,151</u>

*Airport operation expenses have been restated to reflect the transfer of certain assets to the Air Force.

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

	2010	2009	2008	2007	2006	2005	2004	2003
<u>Governmental activities</u>								
Property taxes	\$ 33,601	\$ 33,245	\$ 32,072	\$ 31,787	\$ 27,845	\$ 26,130	\$ 24,884	\$ 21,489
Sales taxes	8,594	7,303	7,760	8,109	7,905	7,526	7,246	7,012
State income tax	4,380	4,983	6,034	5,961	5,493	5,042	4,373	4,445
Personal property replacement tax	2,543	2,422	2,748	2,968	2,439	2,616	1,661	1,484
Hotel/motel tax	14	15	15	16	16	16	15	14
Pari-mutuel tax	114	124	137	144	139	100	174	160
Charges for goods and services	25,342	25,461	25,246	27,144	25,024	23,404	23,396	21,820
Operating grants and contributions	13,686	14,263	16,744	10,932	10,759	12,757	10,475	11,068
Motor fuel tax	5,056	4,791	4,643	4,959	5,033	5,055	4,947	4,847
Capital grants and contributions	3,430	229	2,656	163	4,071	1,703	1,691	554
Earnings on investments	1,924	2,284	6,397	9,614	8,519	4,659	3,148	3,015
Miscellaneous	30	(18)	4	71	74	212	177	150
	<u>98,714</u>	<u>95,102</u>	<u>104,456</u>	<u>101,868</u>	<u>97,317</u>	<u>89,220</u>	<u>82,187</u>	<u>76,058</u>
<u>Business-type activities</u>								
Charges for goods and services	3,166	2,139	5,164	4,909	5,031	3,573	2,021	2,413
Operating grants and contributions	3,043	2,954	421	552	70	10	281	-
Capital grants and contributions	388	747	389	282	336	4,216	6,274	554
Earnings on investments	157	220	1,991	2,816	1,999	1,188	789	876
Miscellaneous	-	16	(630)	(63)	(47)	-	-	-
	<u>6,754</u>	<u>6,076</u>	<u>7,335</u>	<u>8,496</u>	<u>7,389</u>	<u>8,987</u>	<u>9,365</u>	<u>3,843</u>
	<u>\$ 105,468</u>	<u>\$ 101,178</u>	<u>\$ 111,791</u>	<u>\$ 110,364</u>	<u>\$ 104,706</u>	<u>\$ 98,207</u>	<u>\$ 91,552</u>	<u>\$ 79,901</u>

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

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General government	\$ 40,667,979	\$ 37,457,205	\$ 40,813,403	\$ 38,134,268	\$ 35,485,814	\$ 33,921,853	\$ 31,697,903	\$ 28,652,045	\$ 28,317,579	\$ 25,571,936
Transportation	9,407,154	9,314,965	12,839,138	12,072,259	7,096,166	6,393,458	7,427,942	9,382,680	11,221,596	10,687,496
Public health	11,344,650	10,610,128	10,171,816	9,412,283	8,760,260	8,210,728	8,364,157	7,902,977	7,707,036	8,042,327
Public safety	21,237,430	28,660,663	22,051,893	21,621,342	21,808,729	22,646,821	19,536,552	17,380,538	15,661,197	14,440,205
Judicial	6,842,081	7,307,985	6,907,125	6,495,973	6,532,644	6,122,224	6,292,457	6,185,946	6,303,278	5,951,808
Debt service	1,870,400	325,150	1,898,300	1,899,995	1,901,875	1,818,088	1,902,195	1,899,075	4,162,978	600,993
	<u>\$ 91,369,694</u>	<u>\$ 93,676,096</u>	<u>\$ 94,681,675</u>	<u>\$ 89,636,120</u>	<u>\$ 81,585,488</u>	<u>\$ 79,113,172</u>	<u>\$ 75,221,206</u>	<u>\$ 71,403,261</u>	<u>\$ 73,373,664</u>	<u>\$ 65,294,765</u>

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

ST. CLAIR COUNTY, ILLINOIS
Government Revenues by Source
All Governmental Funds*
Budgetary Basis
(Unaudited)

	2010	2009	2008	2007	2006	2005	2004	2003**	2002**	2001**
Property taxes	\$ 35,521,176	\$ 31,324,491	\$ 32,024,670	\$ 31,780,658	\$ 27,844,501	\$ 26,129,767	\$ 24,890,242	\$ 22,018,776	\$ 20,420,022	\$ 19,715,771
Sales tax	8,399,535	7,358,089	7,819,701	8,075,503	7,810,545	7,508,947	7,215,116	6,882,397	6,836,259	6,723,380
State income tax	3,808,188	4,667,969	6,279,718	5,793,035	5,384,277	4,921,825	4,463,504	3,926,727	4,180,109	5,069,646
Personal property										
replacement tax	2,596,425	2,408,048	2,854,381	2,897,583	2,450,053	2,282,576	1,660,535	1,483,510	1,468,813	1,838,780
Hotel/motel tax	14,338	14,884	15,086	16,262	15,776	17,291	13,538	14,679	12,803	-
Pari-mutuel tax	116,035	123,077	135,155	144,130	141,545	150,217	171,226	164,678	151,266	146,283
Motor fuel tax	5,048,088	4,883,073	4,620,032	4,981,350	5,203,694	5,065,123	4,915,818	4,856,512	4,007,052	4,137,639
Revenue from federal/ state agencies	9,658,760	15,343,433	9,807,670	10,083,440	12,735,132	13,396,255	10,129,620	9,156,882	9,926,419	8,447,189
Revenue from local government	3,518,196	4,315,696	4,559,176	2,529,085	2,536,435	3,150,683	2,006,224	4,874,369	2,720,015	1,423,368
Licenses, permits, fines, fees, and services	22,513,423	22,454,045	22,263,036	22,514,074	21,501,113	21,216,636	20,788,461	18,637,915	16,672,282	16,071,516
Earnings on investments	1,967,010	2,762,628	6,107,564	8,875,095	7,701,387	4,580,154	3,368,878	2,792,738	3,112,492	6,984,784
Miscellaneous revenues	921,966	63,629	310,976	879,302	328,300	390,759	216,892	521,627	322,666	700,028
	<u>\$ 94,083,140</u>	<u>\$ 95,719,062</u>	<u>\$ 96,797,166</u>	<u>\$ 98,569,517</u>	<u>\$ 93,652,758</u>	<u>\$ 88,810,233</u>	<u>\$ 79,840,054</u>	<u>\$ 75,330,810</u>	<u>\$ 69,830,198</u>	<u>\$ 71,258,384</u>

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

**Interest associated with property taxes have be reclassified as earnings on investments.

ST. CLAIR COUNTY, ILLINOIS
Schedule 1
Net Assets by Component
(Governmental Basis)
(unaudited)

	2010	2009*	2008*	2007*	2006*	2005*	2004*	2003*
Governmental activities								
Invested in capital assets, net of related debt	\$ 107,296,887	\$ 102,997,984	\$ 93,217,282	\$ 77,608,921	\$ 66,741,398	\$ 58,997,031	\$ 68,547,045	\$ 64,761,588
Restricted	91,241,360	92,900,209	90,614,090	87,635,649	84,467,270	66,746,215	59,624,931	56,660,912
Unrestricted	<u>69,767,384</u>	<u>69,619,435</u>	<u>73,764,953</u>	<u>76,727,911</u>	<u>72,902,512</u>	<u>84,132,930</u>	<u>68,868,619</u>	<u>67,851,845</u>
Total governmental activities net assets	<u>\$ 268,305,631</u>	<u>\$ 265,517,628</u>	<u>\$ 257,596,325</u>	<u>\$ 241,972,481</u>	<u>\$ 224,111,180</u>	<u>\$ 209,876,176</u>	<u>\$ 197,040,595</u>	<u>\$ 189,274,345</u>
Business-type activities								
Invested in capital assets, net of related debt	\$ 107,043,726	\$ 110,589,303	\$ 97,855,349	\$ 95,242,618	\$ 118,993,869	\$ 120,475,916	\$ 119,797,619	\$ 117,787,718
Restricted	-	-	11,604,605	17,954,870	-	1,830,880	5,230,335	9,349,917
Unrestricted	<u>(11,809,561)</u>	<u>(7,311,746)</u>	<u>-</u>	<u>-</u>	<u>(1,670,361)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities net assets	<u>\$ 95,234,165</u>	<u>\$ 103,277,557</u>	<u>\$ 109,459,954</u>	<u>\$ 113,197,488</u>	<u>\$ 117,323,508</u>	<u>\$ 122,306,796</u>	<u>\$ 125,027,954</u>	<u>\$ 127,137,635</u>
Primary government								
Invested in capital assets, net of related debt	\$ 214,340,613	\$ 213,587,287	\$ 191,072,631	\$ 172,851,539	\$ 185,735,267	\$ 179,472,947	\$ 188,344,664	\$ 182,549,306
Restricted	91,241,360	92,900,209	102,218,695	105,590,519	84,467,270	68,577,095	64,855,266	66,010,829
Unrestricted	<u>57,957,823</u>	<u>62,307,689</u>	<u>73,764,953</u>	<u>76,727,911</u>	<u>71,232,151</u>	<u>84,132,930</u>	<u>68,868,619</u>	<u>67,851,845</u>
Total primary government net assets	<u>\$ 363,539,796</u>	<u>\$ 368,795,185</u>	<u>\$ 367,056,279</u>	<u>\$ 355,169,969</u>	<u>\$ 341,434,688</u>	<u>\$ 332,182,972</u>	<u>\$ 322,068,549</u>	<u>\$ 316,411,980</u>

*Restated for allocation of net assets

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

Fiscal year extended & collected Tax year	<u>2010</u> <u>2009</u>	<u>2009</u> <u>2008</u>	<u>2008</u> <u>2007</u>	<u>2007</u> <u>2006</u>	<u>2006</u> <u>2005</u>	<u>2005</u> <u>2004</u>	<u>2004</u> <u>2003</u>	<u>2003</u> <u>2002</u>	<u>2002</u> <u>2001</u>	<u>2001</u> <u>2000</u>
Real property										
Estimated actual value	<u>\$ 14,171,085</u>	<u>\$ 14,082,051</u>	<u>\$ 13,208,217</u>	<u>\$ 11,933,253</u>	<u>\$10,870,998</u>	<u>\$10,016,868</u>	<u>\$ 9,125,202</u>	<u>\$ 8,471,436</u>	<u>\$ 7,902,498</u>	<u>\$ 7,519,095</u>
Locally assessed values	<u>\$ 4,723,695</u>	<u>\$ 4,694,017</u>	<u>\$ 4,402,739</u>	<u>\$ 3,977,751</u>	<u>\$ 3,623,666</u>	<u>\$ 3,338,956</u>	<u>\$ 3,041,734</u>	<u>\$ 2,823,812</u>	<u>\$ 2,634,166</u>	<u>\$ 2,506,365</u>
Equalized assessed values without railroads & TIFs	<u>\$ 4,219,235</u>	<u>\$ 4,158,036</u>	<u>\$ 3,929,800</u>	<u>\$ 3,584,928</u>	<u>\$ 3,283,062</u>	<u>\$ 3,024,878</u>	<u>\$ 2,731,285</u>	<u>\$ 2,542,003</u>	<u>\$ 2,386,224</u>	<u>\$ 2,275,444</u>
Less:										
"1790" homestead exemption	(397,721)	(359,461)	(321,333)	(317,580)	(314,218)	(312,483)	(215,820)	(211,118)	(205,780)	(195,758)
Senior citizen homestead exemption	(71,693)	(69,912)	(60,552)	(59,157)	(50,351)	(49,401)	(33,908)	(33,367)	(32,558)	(32,590)
P.A. 83-533	(161)	(188)	(181)	(183)	(190)	(178)	(201)	(238)	(229)	(249)
Senior citizen tax freeze	(83,110)	(80,747)	(71,494)	(63,853)	(56,325)	(53,452)	(37,727)	(32,239)	(23,896)	(17,777)
Veteran's exemption/freeze	(4,406)	(3,085)	(1,187)	(744)	(531)	(461)	(409)	(453)	(438)	(429)
Other exemptions	(3,599)	(2,163)	(814)	(461)	(609)	-	-	-	-	-
Home improvement exemption	(470)	(569)	(731)	(636)	(672)	(750)	(891)	(1,017)	(1,168)	(1,373)
Billing value before railroad	3,658,075	3,641,911	3,473,508	3,142,314	2,860,166	2,608,153	2,442,329	2,263,571	2,122,155	2,027,268
Railroad equalized value	<u>32,502</u>	<u>27,816</u>	<u>27,231</u>	<u>25,251</u>	<u>24,703</u>	<u>25,178</u>	<u>24,587</u>	<u>23,879</u>	<u>20,395</u>	<u>20,018</u>
Total equalized real property used for taxes	<u>\$ 3,690,577</u>	<u>\$ 3,669,727</u>	<u>\$ 3,500,739</u>	<u>\$ 3,167,565</u>	<u>\$ 2,884,869</u>	<u>\$ 2,633,331</u>	<u>\$ 2,466,916</u>	<u>\$ 2,287,450</u>	<u>\$ 2,142,550</u>	<u>\$ 2,047,286</u>
TIF/Enterprise zone values	<u>\$ 504,469</u>	<u>\$ 535,980</u>	<u>\$ 469,538</u>	<u>\$ 390,668</u>	<u>\$ 339,037</u>	<u>\$ 311,095</u>	<u>\$ 302,833</u>	<u>\$ 276,871</u>	<u>\$ (240,761)</u>	<u>\$ (215,335)</u>
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 Rates
(per \$100 of Equalized Assessed Value)
(unaudited)

Fiscal year extended & collected Tax year	<u>2010</u> <u>2009</u>	<u>2009</u> <u>2008</u>	<u>2008</u> <u>2007</u>	<u>2007</u> <u>2006</u>	<u>2006</u> <u>2005</u>	<u>2005</u> <u>2004</u>	<u>2004</u> <u>2003</u>	<u>2003</u> <u>2002</u>	<u>2002</u> <u>2001</u>	<u>2001</u> <u>2000</u>
General Fund	0.1166	0.1229	0.1317	0.1456	0.1529	0.1599	0.1602	0.1618	0.1627	0.1651
Tort Fund	0.1104	0.1112	0.1143	0.1263	0.1282	0.0207	0.1476	0.0989	0.0307	0.0310
	<u>0.2270</u>	<u>0.2341</u>	<u>0.2460</u>	<u>0.2719</u>	<u>0.2811</u>	<u>0.1806</u>	<u>0.3078</u>	<u>0.2607</u>	<u>0.1934</u>	<u>0.1961</u>
Special revenues funds	<u>0.6898</u>	<u>0.6820</u>	<u>0.6660</u>	<u>0.7371</u>	<u>0.6904</u>	<u>0.8103</u>	<u>0.7042</u>	<u>0.6832</u>	<u>0.7554</u>	<u>0.7582</u>
Debt service fund	-	-	-	-	-	-	-	-	-	-
	<u>0.9168</u>	<u>0.9161</u>	<u>0.9120</u>	<u>1.0090</u>	<u>0.9715</u>	<u>0.9909</u>	<u>1.0120</u>	<u>0.9439</u>	<u>0.9488</u>	<u>0.9543</u>

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

Fiscal year extended & collected Tax year	<u>2010</u> <u>2009</u>	<u>2009</u> <u>2008</u>	<u>2008</u> <u>2007</u>	<u>2007</u> <u>2006</u>	<u>2006</u> <u>2005</u>	<u>2005</u> <u>2004</u>	<u>2004</u> <u>2003</u>	<u>2003</u> <u>2002</u>	<u>2002</u> <u>2001</u>	<u>2001</u> <u>2000</u>
Original extension	\$ 33,904,501	\$ 33,618,874	\$ 31,927,439	\$ 31,961,243	\$ 28,026,978	\$ 26,093,495	\$ 24,965,251	\$ 21,586,033	\$ 20,334,876	\$ 19,659,635
Billing adjustments	<u>(282,658)</u>	<u>(258,721)</u>	<u>(179,444)</u>	<u>(192,830)</u>	<u>(150,808)</u>	<u>(126,772)</u>	<u>(88,376)</u>	<u>(96,974)</u>	<u>(78,976)</u>	<u>(123,275)</u>
Final Extension	33,621,843	33,360,153	31,747,995	31,768,413	27,876,170	25,966,723	24,876,875	21,489,059	20,255,900	19,536,360
Collections	<u>33,445,423</u>	<u>33,226,527</u>	<u>31,613,647</u>	<u>31,667,482</u>	<u>27,777,712</u>	<u>25,900,810</u>	<u>24,746,367</u>	<u>21,409,915</u>	<u>20,201,790</u>	<u>19,489,766</u>
Taken by County Trustee	<u>\$ 176,420</u>	<u>\$ 133,626</u>	<u>\$ 134,348</u>	<u>\$ 100,931</u>	<u>\$ 98,458</u>	<u>\$ 65,913</u>	<u>\$ 130,508</u>	<u>\$ 79,144</u>	<u>\$ 54,110</u>	<u>\$ 46,594</u>
Percent collected	99.48%	99.60%	99.58%	99.68%	99.65%	99.75%	99.48%	99.63%	99.73%	99.76%
Back taxes collected*	<u>\$ (199,409)</u>	<u>\$ (148,940)</u>	<u>\$ 355,575</u>	<u>\$ 14,741</u>	<u>\$ 922</u>	<u>\$ 95,217</u>	<u>\$ 96,561</u>	<u>\$ 41,571</u>	<u>\$ 36,956</u>	<u>\$ 53,054</u>

*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 taxes included amounts erroneously not billed in prior years but collected in 2008. In 2009 and 2010 back taxes refunded exceeded back taxes collected and were paid from current tax collections.

SINGLE AUDIT SECTION



**REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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

We have audited the primary government financial statements of St. Clair County, Illinois as of and for the year ended December 31, 2010, and have issued our report thereon dated September 14, 2011. In our report, our opinion on the financial statements was qualified because, as discussed in note 1 to the financial statements, the basic financial statements do not include financial activities of its component units, St. Clair County Intergovernmental Grants Department and St. Clair County Public Building Commission, which should be included in order for the financial statements to conform with accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered St. Clair County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the primary government financial statements, but not for the purpose of expressing an opinion on the effectiveness of St. Clair County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of St. Clair County's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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Mr. Mark Kern, Chairman
St. Clair County Board
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Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether St. Clair County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of St. Clair County, Illinois, in a separate letter dated September 14, 2011.

This report is intended solely for the information and use of the finance committee, management, state authorities, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

J.W. Boyle & Co., Ltd.
J.W. Boyle & Co., Ltd.

September 14, 2011

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of the primary government of St. Clair County with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of St. Clair County's major federal programs for the year ended December 31, 2010. St. Clair County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of St. Clair County's management. Our responsibility is to express an opinion on St. Clair County's compliance based on our audit.

Our audit, described below, did not include the operations of St. Clair County Intergovernmental Grants Department and the St. Clair County Public Building Commission considered component units, because they engaged other auditors to perform an audit in accordance with OMB Circular A-133 and/or an audit of their general-purpose financial statements.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about St. Clair County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of St. Clair County's compliance with those requirements.

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Mr. Mark Kern, Chairman
St. Clair County Board
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In our opinion, St. Clair County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 10-1, 10-2, 10-3, and 10-4.

Internal Control Over Compliance

The management of St. Clair County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered St. Clair County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of St. Clair County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

St. Clair County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit St. Clair County's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the finance committee, management, state authorities, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

J.W. Boyle & Co., Ltd.

J.W. Boyle & Co., Ltd.

September 14, 2011

ST CLAIR COUNTY, ILLINOIS
Schedule of Expenditures of Federal Awards
For the year ended December 31, 2010

CFDA #	Grant Number	Program Name	Pass-through Entity	Program Period	Program or Award Amount	Deferred (Receivable) Revenue 12/31/09	Grant Revenue Received	Expenditures	Deferred (Receivable) Revenue 12/31/10
U.S. Department of Agriculture									
10.553	2010-4220-00	School Breakfast Program	IL State Board of Education	9/1/09-9/30/10	11,789	\$ (1,013)	\$ 9,767	\$ 8,754	\$ -
10.553	2011-4220-00	School Breakfast Program	IL State Board of Education	10/1/10-9/30/11		-	1,582	2,522	(940)
	Subtotal 10.553					(1,013)	11,349	11,276	(940)
10.555	2010-4210-00	National School Lunch Program	IL State Board of Education	9/1/09-9/30/10	17,804	(1,536)	14,767	13,231	-
10.555	2011-4210-00	National School Lunch Program	IL State Board of Education	10/1/10-9/30/11		-	2,395	3,812	(1,417)
	Subtotal 10.555					(1,536)	17,162	17,043	(1,417)
10.557	Non-Cash	Women, Infants, and Children	IL Dept of Human Services	7/1/09-6/30/10	1,528,580	-	1,528,580	1,528,580	-
10.557	Non-Cash	Women, Infants, and Children	IL Dept of Human Services	7/1/10-6/30/11	747,837	-	747,837	747,837	-
10.557	L11GL483900	Women, Infants, and Children	IL Dept of Human Services	7/1/09-6/30/10	475,876	(48,837)	254,476	205,639	-
10.557	M11GM483900	Women, Infants, and Children	IL Dept of Human Services	7/1/10-6/30/11	439,500	-	219,000	240,989	(21,989)
10.557	L11GL483000	WIC Breastfeeding Peer Counselor	IL Dept of Human Services	7/1/09-6/30/10	12,500	(5,590)	6,700	1,110	-
10.557	M11GM483980	WIC Breastfeeding Peer Counselor	IL Dept of Human Services	7/1/10-6/30/11	47,000	-	19,800	16,914	2,886
	Subtotal for 10.557					(54,427)	2,776,393	2,741,069	(19,103)
10.572	M11GM483920	WIC Farmers Market	IL Dept of Human Services	7/1/10-6/30/11	1,000	-	1,000	1,000	-
	Subtotal for 10.572					-	1,000	1,000	-
10.559	15280136	Summer Food	IL Dept of Public Health	5/1/10-8/30/10	800	-	300	300	-
	Subtotal for 10.559					-	300	300	-
	Total for U.S. Department of Agriculture					\$ (56,976)	\$ 2,806,204	\$ 2,770,688	\$ (21,460)
Department of Commerce									
11.555		Public Safety Interoperable Comm.	Illinois Emergency Management	1/1/08-7/31/10	3,700,000	\$ (99,216)	\$ 122,150	\$ 22,934	\$ -
	Total U.S. Department of Commerce					\$ (99,216)	\$ 122,150	\$ 22,934	\$ -
U.S Department of Defense									
12.610	EN0666-07-01	Joint Land Use Study	Office of Economic Adjustment	3/1/07-10/31/09	235,000	\$ (21,500)	\$ 21,500	\$ -	\$ -
12.610	EN0666-10-02	Joint Land Use Study	Office of Economic Adjustment	4/1/10-3/31/11	54,000	-	34,981	46,847	(11,866)
	Total U.S. Department of Defense					\$ (21,500)	\$ 56,481	\$ 46,847	\$ (11,866)

ST CLAIR COUNTY, ILLINOIS
Schedule of Expenditures of Federal Awards
For the year ended December 31, 2010

CFDA #	Grant Number	Program Name	Pass-through Entity	Program Period	Program or Award Amount	Deferred (Receivable) Revenue 12/31/09	Grant Revenue Received	Expenditures	Deferred (Receivable) Revenue 12/31/10
<u>Department of Housing and Urban Development</u>									
14.238	IL0087C5T080802	Next Step Up	St. Clair Cty Inter. Govern Grants	11/1/10-5/1/11	12,038	\$ -	\$ -	\$ 2,744	\$ (2,744)
	Subtotal 14.238					-	-	2,744	(2,744)
14.241	95780786	HOPWA	IL Dept. of Public Health	4/1/09-12/31/09	20,000	(7,834)	7,834	-	-
14.241	05780419	HOPWA	IL Dept. of Public Health	1/1/10-12/31/10	20,000	-	13,348	14,606	(1,258)
	Subtotal 14.241					(7,834)	21,182	14,606	(1,258)
Total Department of Housing and Urban Development						\$ (7,834)	\$ 21,182	\$ 17,350	\$ (4,002)
<u>U.S. Department of Justice</u>									
16.523	506387	JABG FFY06	IL Criminal Justice Authority	10/1/09-9/30/10	40,000	\$ 13,661	\$ (10,532)	\$ 3,129	\$ -
	Subtotal 16.523					13,661	(10,532)	3,129	-
16.575	209070	Prosecutor Based Victim Assistance	IL Criminal Just Inform Auth	10/1/09-9/30/10	54,054	(8,428)	34,771	26,343	-
16.575	210070	Prosecutor Based Victim Assistance	IL Criminal Just Inform Auth	10/1/10-9/30/11	38,944	-	-	10,885	(10,885)
	Subtotal 16.575					(8,428)	34,771	37,228	(10,885)
16.585	2010-DC-BX-0045	FY 2010 Drug Court Grant Program	Bureau of Justice Assistance	7/1/10-6/30/12	100,000	-	24,966	36,076	(11,110)
	Subtotal 16.585					-	24,966	36,076	(11,110)
16.588	606373	D/V MultiDisciplinary Team	IL Criminal Just Inform Auth	7/1/09-6/30/10	261,463	(83,463)	191,489	111,142	(3,116)
16.588	607373	D/V MultiDisciplinary Team	IL Criminal Just Inform Auth	7/1/10-6/30/11	261,463	-	65,366	128,409	(63,043)
16.588	607372	D/V MultiDisciplinary Team	IL Criminal Just Inform Auth	7/1/09-6/30/10	155,510	(36,568)	107,042	78,813	(8,339)
16.588	609372	D/V MultiDisciplinary Team	IL Criminal Just Inform Auth	7/1/10-6/30/11	155,510	-	38,878	78,073	(39,195)
16.588	607072	D/V MultiDisciplinary Team	IL Criminal Just Inform Auth	7/1/09-6/30/10	37,432	3,549	5,049	8,598	-
16.588	609072	D/V MultiDisciplinary Team	IL Criminal Just Inform Auth	7/1/10-6/30/11	37,432	-	9,358	18,297	(8,939)
	Subtotal 16.588 (M)					(116,482)	417,182	423,332	(122,632)
16.607	FY 2009	Bulletproof Vest Partnership	Bureau of Justice Assistance	4/1/10-8/31/12		-	5,473	5,473	-
	Subtotal 16.607					-	5,473	5,473	-
16.738	407026	Edward Byrne Memorial Justice Asst	IL Criminal Just Inform Auth	10/1/09-9/30/10	108,003	12,707	67,496	80,203	-
	Subtotal 16.738 (M)					12,707	67,496	80,203	-
16.803	809009	ARRA - Edward Byrne Memorial Justice Asst (Juvenile Transition Program)	IL Department of Juvenile Justice	5/1/10-9/30/11	350,000	-	25,249	74,085	(48,836)
16.803	809126	ARRA - Edward Byrne Memorial Justice Asst	IL Criminal Just Inform Auth	10/1/10-9/30/11	108,003	-	40,000	27,907	12,093
16.803	809051.03	ARRA - Edward Byrne Memorial Justice Asst (Adult Redeploy Illinois)	IL Criminal Just Inform Auth	7/15/10-10/15/10	29,540		10,623	10,623	-
	Subtotal 16.803 (M)					-	75,872	112,615	(36,743)
Total U.S. Department of Justice						\$ (98,542)	\$ 615,228	\$ 698,056	\$ (181,370)

ST CLAIR COUNTY, ILLINOIS
Schedule of Expenditures of Federal Awards
For the year ended December 31, 2010

CFDA #	Grant Number	Program Name	Pass-through Entity	Program Period	Program or Award Amount	Deferred (Receivable) Revenue 12/31/09	Grant Revenue Received	Expenditures	Deferred (Receivable) Revenue 12/31/10
<u>U.S. Department of Transportation</u>									
20.106	3-17-146-25	Update Master Plan-Phase II	IL Dept of Transportation	FY2007	507,246	\$ -	\$ 9,384	\$ 9,384	\$ -
20.106	3-17-146-26	Runway, Deicer Equipment & ALCMS	IL Dept of Transportation	FY2009	1,182,166	(633,745)	1,022,196	388,451	-
20.106	3-17-146-27	Feasibility Study-Secondary Access Rd	IL Dept of Transportation	FY2009	101,650	-	40,153	40,153	-
Subtotal 20.106 (M)						(633,745)	1,071,733	437,988	-
20.600	OP1-0430-193	Hghwy Sfty Agreeemnt, Cond. & Cert. STEP	IL Dept of Transportation	10/1/10-9/30/11	32,978	-	-	6,815	(6,815)
Subtotal 20.600						-	-	6,815	(6,815)
20.601	AL0-0082-004	Local Alcohol Project	IL Dept of Transportation	10/1/09-9/30/10	149,222	(38,352)	137,237	98,885	-
20.601	AL1-0082-010	Local Alcohol Project	IL Dept of Transportation	10/1/10-9/30/11	147,789	-	-	34,172	(34,172)
20.601	OP0-0082-612	Highway Safety Project-Memorial Day	IL Dept of Transportation	5/14/10-5/31/10	5,664	-	3,416	3,416	-
20.601	AL0-0082-702	Highway Safety Project-Labor Day	IL Dept of Transportation	8/1/10-9/30/10	11,662	-	10,763	10,763	-
Subtotal 20.601						(38,352)	151,416	147,236	(34,172)
20.703	FFY10	Haz Matrls Emerg Preparedness (HEMP)	IL Emergency Management	10/01/09-9/30/10	4,350	-	-	4,348	(4,348)
Subtotal 20.703						-	-	4,348	(4,348)
Total U.S. Department of Transportation						\$ (672,097)	\$ 1,223,149	\$ 596,387	\$ (45,335)
<u>U.S. Environmental Protection Agency</u>									
66.605	05380365	Potable Water Supply	IL Dept of Public Health	10/1/09-9/30/10	950	\$ (238)	\$ 950	\$ 712	\$ -
66.605	15380144	Potable Water Supply	IL Dept of Public Health	10/1/10-9/30/11	1,000	-	-	238	(238)
Total U.S. Environmental Protection Agency						\$ (238)	\$ 950	\$ 950	\$ (238)
<u>Election Assistance Commission</u>									
90.401		Help America Vote	IL State Board of Elections	FY10	103,000	\$ -	\$ 103,000	\$ 103,000	\$ -
Subtotal 90.401						-	103,000	103,000	-
93.617	Grant#6-VAID III	Voting Access for Individuals w/ Disabilities	IL State Board of Elections	7/1/08-12/31/10	19,254	(9,522)	19,254	9,732	-
Subtotal 93.617						(9,522)	19,254	9,732	-
Total Election Assistance Commission						\$ (9,522)	\$ 122,254	\$ 112,732	\$ -

ST CLAIR COUNTY, ILLINOIS
Schedule of Expenditures of Federal Awards
For the year ended December 31, 2010

					Program or Award Amount	Deferred (Receivable) Revenue 12/31/09	Grant Revenue Received	Expenditures	Deferred (Receivable) Revenue 12/31/10	
CFDA #	Grant Number	Program Name	Pass-through Entity	Program Period						
Department of Homeland Security										
97.055	A843L	Interoperable Emerg. Comm Grant (IECGP)	IL Emergency Management	4/1/09-6/30/10	71,000	\$ (30,589)	\$ 71,000	\$ 40,411	\$ -	
	Subtotal 97.001					(30,589)	71,000	40,411	-	
97.042	FY09	ESDA	IL Emergency Management	10/1/08-9/30/09	56,197	(30,992)	30,992	-	-	
97.042	FY10	ESDA	IL Emergency Management	10/1/09-9/30/10	67,198	(16,800)	67,198	59,254	(8,856)	
97.042	FY11	ESDA	IL Emergency Management	10/1/10-9/30/11	67,323	-	-	16,831	(16,831)	
	Subtotal 97.042					(47,792)	98,190	76,085	(25,687)	
97.067	Non-cash	Cities Readiness Initiative	East-West Gateway Coun. Gov.	1/1/10-12/31/10	8,506	-	8,506	8,506	-	
97.067	09ccpstcla-gan#1	Citizen Corps Program	IL Emergency Management	1/1/10-12/31/10	3,498	-	2,355	3,498	(1,143)	
	Subtotal 97.067					-	10,861	12,004	(1,143)	
97.078	FY07	Buffer Zone Protection Plan (Solvay)	IL Emergency Management	4/30/08-6/30/10	154,000	(71,499)	135,530	64,031	-	
97.078	FY07	Buffer Zone Protection Plan (Afton)	IL Emergency Management	4/30/08-6/30/10	154,000	-	89,127	89,127	-	
97.078	FY07	Buffer Zone Protection Plan (Solutia)	IL Emergency Management	4/30/08-6/30/10	154,000	-	113,082	113,082	-	
	Subtotal 97.078 (M)					(71,499)	337,739	266,240	-	
	Total Department of Homeland Security						\$ (149,880)	\$ 517,790	\$ 394,740	\$ (26,830)
U.S. Department of Health and Human Services										
93.048	HHS-2009-AoA-MA-090: Congressional Mandate		U.S. Administration on Aging	8/1/09-7/31/10	143,000	\$ (51,101)	\$ 128,007	\$ 84,601	\$ (7,695)	
	Subtotal 93.048					(51,101)	128,007	84,601	(7,695)	
93.069	07181076	Public Health Emergency Preparedness	IL Dept of Public Health	8/1/2009-7/31/11	385,509	(63,239)	207,509	187,085	(42,815)	
93.069	07181198	Public Health Emergency Response 1&2	IL Dept of Public Health	7/31/09-7/30/10	211,920	(57,084)	101,189	44,105	-	
93.069	07181293	Public Health Emergency Response 3	IL Dept of Public Health	7/31/09-7/30/10	326,351	(42,827)	217,593	174,766	-	
93.069	07181116	Cities Readiness Initiative	IL Dept of Public Health	8/1/09-7/31/11	146,317	2,376	48,557	69,508	(18,575)	
	Subtotal 93.069 (M)					(160,774)	574,848	475,464	(61,390)	
93.116	95180782	Directly Observed Therapy	IL Dept of Public Health	1/1/09-12/31/09	13,573	(4,333)	4,333	-	-	
93.116	05180457	Directly Observed Therapy	IL Dept of Public Health	1/1/10-12/31/10	12,000	-	9,000	12,000	(3,000)	
	Subtotal 93.116					(4,333)	13,333	12,000	(3,000)	

ST CLAIR COUNTY, ILLINOIS
Schedule of Expenditures of Federal Awards
For the year ended December 31, 2010

CFDA #	Grant Number	Program Name	Pass-through Entity	Program Period	Program or Award Amount	Deferred (Receivable) Revenue 12/31/09	Grant Revenue Received	Expenditures	Deferred (Receivable) Revenue 12/31/10
93.268	non-cash	Vaccines for Children (VFC)	IL Dept of Public Health	1/1/10-12/31/10	185,281	-	185,281	185,281	-
93.268	95,180,578.00	AFIX	IL Dept of Public Health	1/1/09-12/31/09	30,000	(9,821)	9,821	-	-
93.268	05180770	AFIX	IL Dept of Public Health	1/1/10-12/31/10	35,000	-	21,856	35,000	(13,144)
	Subtotal 93.268 (M)					(9,821)	216,958	220,281	(13,144)
93.712	05180392	ARRA - Immunizations	IL Dept of Public Health	10/1/09-12/31/10	28,000	-	28,000	28,000	-
	Subtotal 93.712 (M)					-	28,000	28,000	-
93.283	06180032	Breast & Cervical Cancer	IL Dept of Public Health	7/1/09-6/30/10	134,749	(80,481)	70,219	(10,262)	-
93.283	16180031	Breast & Cervical Cancer	IL Dept of Public Health	7/1/10-6/30/11	55,006	-	55,006	55,006	-
93.283	06180043	Wisewomen	IL Dept of Public Health	7/1/09-6/30/10	43,950	(4,517)	29,030	24,513	-
93.283	16180042	Wisewomen	IL Dept of Public Health	7/1/10-6/30/11	40,280	-	-	13,670	(13,670)
	Subtotal 93.283					(84,998)	154,255	82,927	(13,670)
93.563		Recorder of Deeds	IL Dept of Healthcare & Family Services			-	73	73	-
93.563	FY01	Title IV-D State's Attorney	IL Dept of Healthcare & Family Services	7/1/00-6/30/01	442,190	23,042	-	-	23,042
93.563	FY10	Title IV-D State's Attorney	IL Dept of Healthcare & Family Services	7/1/09-6/30/10	420,080	(86,158)	303,845	217,687	-
93.563	FY11	Title IV-D State's Attorney	IL Dept of Healthcare & Family Services	7/1/10-6/30/11	407,477	-	77,474	184,493	(107,019)
93.563	FY 10	Title IV-D Circuit Clerk	IL Dept of Healthcare & Family Services	7/1/09-6/30/10	81,788	(14,419)	47,334	32,915	-
93.563	FY11	Title IV-D Circuit Clerk	IL Dept of Healthcare & Family Services	7/1/10-6/30/11	78,335	-	23,777	38,774	(14,997)
	Subtotal 93.563 (M)					(77,535)	452,503	473,942	(98,974)
93.575	L11GL483420	Healthy Child Care Illinois	IL Dept of Human Services	7/1/09-6/30/10	40,000	(812)	10,000	9,188	-
93.575	M11GM483420	Healthy Child Care Illinois	IL Dept of Human Services	7/1/10-6/30/11	45,000	-	25,000	29,762	(4,762)
	Subtotal 93.575					(812)	35,000	38,950	(4,762)
93.667	L11GL483300	Family Case Management	IL Dept of Human Services	7/1/09-6/30/10	7,000	-	7,000	7,000	-
	Subtotal 93.667					-	7,000	7,000	-
93.778	FY09-FY10	Federal Medicaid Match	IL Dept of Healthcare & Family Services	7/1/09-6/30/10	24,036	(24,036)	24,036	-	-
93.778	FY09-FY10	Federal Medicaid Match	IL Dept of Healthcare & Family Services	7/1/09-6/30/10	9,714	(9,714)	9,714	-	-
93.778	376001924	Federal Medicaid Match	IL Dept of Healthcare & Family Services		74,504	-	74,504	74,504	-
93.778	FY10-FY11	Federal Medicaid Match	IL Dept of Healthcare & Family Services	7/1/10-6/30/11	32,682	-	-	32,682	(32,682)
93.778	FY10-FY11	Federal Medicaid Match	IL Dept of Healthcare & Family Services	7/1/10-6/30/11	50,465	-	-	50,465	(50,465)
	Subtotal 93.778					(33,750)	108,254	157,651	(83,147)
93.914	09-47	Ryan White Part A	City of St Louis Dept of Health	3/1/09-2/28/10	611,097	(222,670)	346,780	124,110	-
93.914	10-42	Ryan White Part A	City of St Louis Dept of Health	3/1/10-2/28/11	636,697	-	380,894	559,721	(178,827)
	Subtotal 93.914 (M)					(222,670)	727,674	683,831	(178,827)

ST CLAIR COUNTY, ILLINOIS
Schedule of Expenditures of Federal Awards
For the year ended December 31, 2010

						Deferred (Receivable) Revenue 12/31/09	Grant Revenue Received	Expenditures	Deferred (Receivable) Revenue 12/31/10
CFDA #	Grant Number	Program Name	Pass-through Entity	Program Period	Program or Award Amount				
93.917	95780767	Ryan White Part B	IL Dept of Public Health	4/1/09-3/31/10	807,832	(232,059)	423,887	191,828	-
93.917	05780440	Ryan White Part B	IL Dept of Public Health	4/1/10-3/31/11	921,959	-	399,846	584,933	(185,087)
Subtotal 93.917 (M)						(232,059)	823,733	776,761	(185,087)
93.940	05780448	HIV Perinatal	IL Dept of Public Health	1/1/10-12/31/10	29,000	-	13,218	26,946	(13,728)
Subtotal 93.940						-	13,218	26,946	(13,728)
93.943	95780778	HIV Perinatal	IL Dept of Public Health	1/1/09-12/31/09	28,000	(13,546)	13,546	-	-
Subtotal 93.943						(13,546)	13,546	-	-
93.994	L11GL483420	Healthy Child Care Illinois	IL Dept of Human Services	7/1/09-6/30/10	20,000	-	20,000	20,000	-
93.994	L11GL483230	Teen Pregnancy Prevention	IL Dept of Human Services	7/1/09-6/30/10	80,929	9,255	33,953	43,208	-
93.994	M11GM483230	Teen Pregnancy Prevention	IL Dept of Human Services	7/1/10-6/30/11	81,059	-	39,630	32,255	7,375
Subtotal 93.994						9,255	93,583	95,463	7,375
Total for U.S. Department of Health and Human Services						\$ (882,144)	\$ 3,389,912	\$ 3,163,817	\$ (656,049)
Total Federal Financial Assistance						\$ (1,997,949)	\$ 8,875,300	\$ 7,824,501	\$ (947,150)

(M) = Major Program

ST. CLAIR COUNTY, ILLINOIS

Notes to the Schedule of Expenditures of Federal Awards For the year ended December 31, 2010

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of St. Clair County, Illinois and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the primary governments financial statements.

2. Subrecipients

Of the federal expenditures presented in the schedule, St. Clair County, Illinois provided federal awards to subrecipients as follows:

Program Title	Federal CDFA Number	Federal Amounts Provided to Recipients
Domestic Violence Violence Prevention Center	16.588	\$ 99,960
Breast & Cervical Cancer Services East Side Health District	93.283	\$ 40,168
HIV Minority Aids Case Management Washington University	93.943	\$ 29,220
Ryan White Part A Case Management Bethany Place	93.914	\$ 29,229
Coordinated Youth & Human Services		\$ 68,719
East Side Health District		\$ 22,139
Southern Illinois Healthcare		\$ 37,534
Ryan White Part B Case Management Bethany Place	93.917	\$ 116,126
Coordinated Youth & Human Services		\$ 76,113
East Side Health District		\$ 90,598
East Side Health District (outreach)		\$ 25,975
Southern Illinois Healthcare		\$ 79,391
Southern Illinois Healthcare (outreach)		\$ 16,992
Teen Pregnancy Prevention Southern Illinois Healthcare	93.994	\$ 17,000
YMCA of Southwest Illinois		\$ 4,000

3. Loans and Insurance

There were no federal awards received or disbursed by St. Clair County for the purpose of loans or insurance.

ST. CLAIR COUNTY, ILLINOIS

Schedule of Findings and Questioned Costs For the year ended December 31, 2010

SECTION I - SUMMARY OF AUDIT RESULTS

Financial statements

1. The auditors' report expresses a qualified opinion on the financial statements of St. Clair County, Illinois. The qualification extends only to the exclusion of its component units which are audited by other auditors.
2. No reportable conditions relating to the audit of the primary government financial statements are reported in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards.
3. No instances of non-compliance material to the financial statements of St. Clair County, Illinois were disclosed during the audit.

Federal awards

1. There were no reportable conditions disclosed during the audit of the major federal award programs.
2. The auditors' report on compliance for the major federal award programs for St. Clair County, Illinois expresses an unqualified opinion on all major federal programs.
3. There were 4 audit findings disclosed that are required to be reported in accordance with Section 510 (a) of Circular A-133.
4. Programs tested as major programs:

Department of Justice	16.588	D/V MultiDisciplinary Team
	16.738	Edward Byrne Memorial Justice Assistance
	16.803	ARRA - Edward Byrne Memorial Justice Assistance
Department of Transportation	20.106	Update Master Plan (Phase II) / Runway, Deicing Equipment & Airport Lighting Control & Monitoring System / Feasibility Study - Secondary Access Road

ST. CLAIR COUNTY, ILLINOIS

Schedule of Findings and Questioned Costs For the year ended December 31, 2010

Programs tested as major programs (continued):

Department of Homeland Security	97.078	Buffer Zone Protection Plan
Department of Health & Human Services	93.069	Public Health Emergency Preparedness / Public Health Emergency Response 1 & 2, Public Health Emergency Response 3 / Cities Readiness Initiative
	93.268	Vaccines for Children / AFIX
	93.712	ARRA - Immunizations
	93.563	Title IV-D States's Attorney / Title IV-D Circuit Clerk
	93.914	Ryan White Part A
	93.917	Ryan White Part B

5. Dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
6. St. Clair County, Illinois is not considered a low-risk auditee.

ST. CLAIR COUNTY, ILLINOIS

**Schedule of Findings and Questioned Costs
For the year ended December 31, 2010**

SECTION II - FINANCIAL STATEMENT FINDINGS

1. There were no findings that meet the criteria of Paragraph 5.18 through 5.20 of the *Government Auditing Standards*.

ST. CLAIR COUNTY, ILLINOIS

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2010

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FINDING NO.	<u>10-1</u>
REPEATED FROM	<u>N/A</u>

Federal Program Name and Year: Title IV-D State's Attorney - 2010

Project No: FY 2010

CFDA No: 93.563

Passed Through: Illinois Department of Healthcare & Family Services

Federal Agency: U.S. Department of Health and Human Services

Noncompliance with Grant Time Requirements

1. Criteria/specific requirement:

The State's Attorney's Office at St. Clair County receives referrals from the Division of Child Support Enforcement. The referrals are for the establishment of parentage (if necessary), and the establishment of, modification, enforcement and collection of child support obligations. The grant agreement between the State's Attorney Office and Illinois Department of Healthcare and Human Services requires that each referral for legal action be acted upon within 30 calendar days of receipt.

2. Condition:

A total of approximately 1860 new cases were handled by the State's Attorney's office in 2010. During our compliance testing, we noted 5 instances out of a sample of 25 in which the State's Attorney's office acted upon a referral for legal action 3 to 21 days after the prescribed timeframe of 30 calendar days.

3. Effect:

Noncompliance with Section 5.3.1 of the grant agreement between Illinois Department of Healthcare and Family Services and the St. Clair County State's Attorney.

4. Cause:

Due to the volume of referrals, the timely processing of these cases was compromised.

5. Recommendation:

We recommend that the State's Attorney's office monitor closely the timely filing of referrals.

6. Management's response:

In January 2011 the newly elected State's Attorney implemented a complete restructuring and reorganization of the St. Clair County State's Attorney's office. The Child Support Division has been thoroughly reviewed and a number of changes have been or are in process of being implemented, including cross training of support staff in all areas, implementation of a new intake and review system for petitions received from Child Support Services, upgrades to technology and automation for support staff, reassignment of support staff duties and restructuring of assignments and responsibilities.

ST. CLAIR COUNTY, ILLINOIS

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2010

FINDING NO. 10-2
REPEATED FROM N/A

Federal Program Name and Year: D/V MultiDisciplinary Team - 2010
Project No: 607373, 606373
CFDA No: 16.588
Passed Through: Illinois Criminal Justice Information Authority
Federal Agency: U.S. Department of Justice

Inadequate Monitoring of Subrecipients

1. Criteria/specific requirement:

OMB Circular A-133, Section 400(d) requires pass through entities to perform certain monitoring procedures of any subrecipients. The pass-through entity is required to ensure that subrecipients expending \$500,000 or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of OMB Circular A-133.

2. Condition:

St. Clair County did not monitor the subrecipient by requesting a copy of the financial audit of the subrecipient entity, which spent more than \$500,000 in federal awards.

3. Effect:

Failure to review subrecipient OMB Circular A-133 audit reports in a timely manner may result in federal funds not properly administered in accordance with laws, regulations, and the grant agreement.

4. Questioned Costs:

None.

5. Cause:

Lack of oversight by the project manager and the grant administrator.

6. Recommendation:

St. Clair County should install procedures whereas the grant administrator ensures all grants with a subrecipient have complied with all OMB A-133 requirements.

7. Management's response:

St. Clair County will identify all federal awards with subrecipients and ensure that all subrecipients are monitored through the use of a checklist for all grants.

ST. CLAIR COUNTY, ILLINOIS

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2010

FINDING NO. 10-3
REPEATED FROM N/A

Federal Program Name and Year: ARRA – Edward Byrne Memorial Justice Assistance – 2010
Project No: 809009
CFDA No: 16.803
Passed Through: Illinois Department of Juvenile Justice from Illinois Criminal Justice
Information Authority
Federal Agency: U.S. Department of Justice

Separate Tracking of Recovery Act funds not maintained

1. Criteria/specific requirement:

ARRA funds are required to be accounted for separately from all other funds.

2. Condition:

All revenue and expenses of the St. Clair County Detention Center were reflected within the same fund with no separate accounts for the ARRA funds and related expenses.

3. Effect:

Noncompliance with section 18 of the grant agreement with the Illinois Department of Juvenile Justice.

4. Questioned Costs:

None.

5. Cause:

All communications for the grant took place between the St. Clair County Detention Center and the Illinois Department of Juvenile Justice. The St. Clair County Auditor's Office maintains the general ledger of St. Clair County and monitors all grants and was unaware of the grant and was therefore unable to monitor and establish separate accounts for the grant revenues and expenses.

6. Recommendation:

We recommend that the St. Clair County Auditor's Office should be informed of all grant applications of the entire primary governmental unit of St. Clair County at the time of application.

7. Management's response:

All Departments of St. Clair County will be informed that they must contact the Auditor's Office and make them aware of any grants they are associated with.

ST. CLAIR COUNTY, ILLINOIS

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2010

FINDING NO. 10-4
REPEATED FROM N/A

Federal Program Name and Year: ARRA – Edward Byrne Memorial Justice Assistance-2010
Project No: 809009
CFDA No: 16.803
Passed Through: Illinois Department of Juvenile Justice from Illinois Criminal Justice
Information Authority
Federal Agency: U.S. Department of Justice

Lack of Documentation for Time Worked on Award

1. Criteria/specific requirement:

Per the grant agreement and Recovery Act reporting requirements, all personnel whose activities are charged to the grant are required to maintain separate timesheets to document hours worked for activities related to the award and non-award activities.

2. Condition:

Employee timesheets that properly depict the amount of time spent working on grant activities were not maintained by personnel charged to the grant.

3. Effect:

Noncompliance with grant requirements as required by the Illinois Department of Juvenile Justice.

5. Questioned Costs:

Total salaries claimed for this grant without proper supporting timesheets was \$66,199. The amount of questioned costs cannot be determined.

6. Cause:

Lack of communication between the St. Clair County Detention Center and the St. Clair County Auditor's Office. The Auditor's Office is responsible for grant monitoring and was unaware of the grant and was therefore unable to monitor the grant requirements.

7. Recommendation:

We recommend that all grants applied for by St. Clair County are done so with the assistance of the Auditor's Office to ensure the Auditor's Office is aware of all grant monies received by St. Clair County.

6. Management's response:

All offices of St. Clair County have been instructed to inform the Auditor's Office of any grant monies received and/or applied for in the future.

ST. CLAIR COUNTY, ILLINOIS

Corrective Action Plan for Current-Year Audit Findings December 31, 2010

Corrective Action Plan

Finding No. 10-1

Condition:

A total of approximately 1860 new cases were handled by the St. Clair County State's Attorney's office in 2010. During our compliance testing, we noted 5 instances out of a sample of 25 in which the State's Attorney's office acted upon a referral for legal action 3 to 21 days after the prescribed timeframe of 30 calendar days.

Plan:

In January 2011 the newly elected State's Attorney implemented a complete restructuring and reorganization of the St. Clair County's State's Attorney's office. The Child Support Division has been thoroughly reviewed and a number of changes have been or are in process of being implemented, including cross training of support staff in all areas, implementation of a new intake and review system for petitions received from Child Support Services, upgrades to technology and automation for support staff, reassignment of support staff duties and restructuring of assignments and responsibilities.

Anticipated Date of Completion:

As soon as practical.

Name of Contact Person:

Janet Hormberg, Assistant State's Attorney

Corrective Action Plan

Finding No. 10-2

Condition:

St. Clair County did not monitor the subrecipient by requesting a copy of the financial audit of the entity, which spent more than \$500,000 in federal awards.

Plan:

St. Clair County will identify all federal awards with subrecipients and ensure that all subrecipients are monitored through the use of a checklist for all grants.

Anticipated Date of Completion:

As soon as practical.

Name of Contact Person:

Jackie Krummrich, Chief Deputy Auditor

ST. CLAIR COUNTY, ILLINOIS

**Corrective Action Plan for Current-Year Audit Findings
December 31, 2010**

Corrective Action Plan

Finding No. 10-3

Condition:

All revenue and expenses of the St. Clair County Detention Center were reflected within the same fund with no separate accounts for the ARRA funds and related expenses.

Plan:

All Departments of St. Clair County will be informed that they must contact the Auditor's Office and make them aware of any grants they are associated with.

Anticipated Date of Completion:

Immediately.

Name of Contact Person:

Jackie Krummrich, Chief Deputy Auditor

Corrective Action Plan

Finding No. 10-4

Condition:

Employee timesheets that properly depict the amount of time spent working on grant activities were not maintained by personnel charged to the grant.

Plan:

All offices of St. Clair County have been instructed to inform the Auditor's Office of any grant monies received and/or applied for in the future.

Anticipated Date of Completion:

Immediately.

Name of Contact Person:

Jackie Krummrich, Chief Deputy Auditor

ST. CLAIR COUNTY, ILLINOIS

Summary Schedule of Prior Audit Findings
For the year ended December 31, 2010

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
N/A - no prior year findings		

ST CLAIR COUNTY, ILLINOIS
Schedule of State Funded Grants
For the year ended December 31, 2010

<u>Grant Number</u>	<u>Program Name</u>	<u>Grantor Agency</u>	<u>Program Period</u>	<u>Program or Award Amount</u>	<u>Deferred (Receivable) Revenue 12/31/09</u>	<u>Grant Revenue Received</u>	<u>Expenditures</u>	<u>Deferred (Receivable) Revenue 12/31/10</u>
FY01	State's Atty Title IV-D	IL Dept of Healthcare & Family Services	07/01/00-06/30/01	\$ 227,798	\$ 8	\$ -	\$ -	\$ 8
FY10	State's Atty Title IV-D	IL Dept of Healthcare & Family Services	7/1/09-6/30/10	216,405	(44,384)	156,526	112,142	-
FY11	State's Atty Title IV-D	IL Dept of Healthcare & Family Services	7/1/10-6/30/11	209,913	-	39,911	95,042	(55,131)
FY10	Circuit Clerk Title IV-D	IL Dept of Healthcare & Family Services	7/1/09-6/30/10	42,133	(7,428)	24,384	16,956	-
FY11	Circuit Clerk Title IV-D	IL Dept of Healthcare & Family Services	7/1/10-6/30/11	40,354	-	12,249	19,975	(7,726)
	Lien Releases	IL Dept of Healthcare & Family Services				1,584	1,584	
	Recorder of Deeds	IL Dept of Healthcare & Family Services				34	34	
FY08-FY09	Healthy Moms-Healthy Kids	IL Dept of Healthcare & Family Services	7/1/08-6/30/09		-	1,731	1,731	-
FY09-FY10	Healthy Moms-Healthy Kids	IL Dept of Healthcare & Family Services	7/1/09-6/30/10		(25,326)	79,888	55,398	(836)
FY10-FY11	Healthy Moms-Healthy Kids	IL Dept of Healthcare & Family Services	7/1/10-6/30/11		-	23,810	51,251	(27,441)
FY09-FY10	All Kids	IL Dept of Healthcare & Family Services	7/1/09-6/30/10		-	2,300	2,300	-
FY10-FY11	All Kids	IL Dept of Healthcare & Family Services	7/1/10-6/30/11		-	700	700	-
Total for Illinois Department of Healthcare and Family Services					(77,130)	343,117	357,113	(91,126)
93780233	Genetics Education & Follow-up	IL Dept of Public Health	7/1/09-6/30/10	11,500	(2,109)	6,386	4,277	-
13780233	Genetics Education & Follow-up	IL Dept of Public Health	7/1/10-6/30/11	11,500	-	-	6,337	(6,337)
5380160	Childhood Lead Poisoning	IL Dept of Public Health	7/1/09-6/30/11	14,000	(2,742)	2,756	7,014	(7,000)
98380720	Culex/West Nile Virus	IL Dept of Public Health	4/1/09-3/31/10	29,425	8,590	-	8,590	-
05380466	Culex/West Nile Virus	IL Dept of Public Health	4/1/10-3/31/11	41,955	-	41,955	37,208	4,747
95380227	Vector Surveillance	IL Dept of Public Health	7/1/08-6/30/10	17,000	12,652	-	12,652	-
05280253	Tanning Facilities Program	IL Dept of Public Health	7/1/09-6/30/10	3,500	(1,050)	2,200	1,150	-
15280311	Tanning Facilities Program	IL Dept of Public Health	7/1/10-6/30/11	3,500	-	-	1,000	(1,000)
05280473	Tattoo/Body Art	IL Dept of Public Health	8/15/09-6/30/10	10,000	(1,725)	1,725	-	-
15280164	Tattoo/Body Art	IL Dept of Public Health	7/1/10-6/30/11	10,000	-	-	1,725	(1,725)
05780434	HIV Jail Project	IL Dept of Public Health	7/1/09-6/30/10	60,000	(3,125)	42,382	39,257	-
15780125	HIV Jail Project	IL Dept of Public Health	7/1/10-6/30/11	45,000	-	-	4,567	(4,567)
95780767	Ryan White Part B	IL Dept of Public Health	4/1/06-3/31/10	115,861	(94,893)	115,861	20,968	-
05780440	Ryan White Part B	IL Dept of Public Health	4/1/10-3/31/11	120,000	-	120,000	120,000	-
06180032	Breast & Cervical Cancer	IL Dept of Public Health	7/1/09-6/30/10	343,026	(83,326)	294,865	211,539	-
16180031	Breast & Cervical Cancer	IL Dept of Public Health	7/1/10-6/30/11	383,049	-	189	98,651	(98,462)
06180043	Wisewoman	IL Dept of Public Health	7/1/09-6/30/10	2,587	-	2,587	2,587	-
06280139	Ticket for the Cure	IL Dept of Public Health	1/1/10-12/31/10	25,000	-	1,918	15,189	(13,271)
03780460	Vision & Hearing	IL Dept of Public Health	7/1/09-6/30/10	10,000	-	10,000	10,000	-
03281075	IL Tobacco-Free Communit	IL Dept of Public Health	7/1/09-6/30/10	63,127	3,344	28,662	32,006	-
13281075	IL Tobacco-Free Communit	IL Dept of Public Health	7/1/10-6/30/11	72,596	-	-	34,110	(34,110)
03281119	Reality Illinois	IL Dept of Public Health	10/1/09-6/30/10	26,000	-	25,507	25,507	-
05080084	Local Health Protection	IL Dept of Public Health	7/1/09-6/30/10	285,095	(142,548)	285,095	142,547	-
15080184	Local Health Protection	IL Dept of Public Health	7/1/10-6/30/11	285,095	-	-	188,589	(188,589)
06280092	Life Smart for Women	IL Dept of Public Health	7/1/06-6/30/10	25,000	(8,480)	20,522	12,042	-
03286005	Comm. Putting Prev. to Work	IL Dept of Public Health	5/1/10-6/30/11	100,000	-	100,000	22,205	77,795
Total for Illinois Department of Public Health					(315,412)	1,102,610	1,059,717	(272,519)

ST CLAIR COUNTY, ILLINOIS
Schedule of State Funded Grants
For the year ended December 31, 2010

<u>Grant Number</u>	<u>Program Name</u>	<u>Grantor Agency</u>	<u>Program Period</u>	<u>Program or Award Amount</u>	<u>Deferred (Receivable) Revenue 12/31/09</u>	<u>Grant Revenue Received</u>	<u>Expenditures</u>	<u>Deferred (Receivable) Revenue 12/31/10</u>
11GL483580	Redeploy Illinois	IL Dept of Human Serv	07/01/09-6/30/10	351,432	\$ (28,669)	\$ 243,732	\$ 208,078	\$ 6,985
11GM483000	Redeploy Illinois	IL Dept of Human Serv	7/1/10-6/30/10	322,744	-	-	161,400	(161,400)
#6 U4BHS08561-03-00	Poison Control	IL Dept of Human Serv	9/1/09-8/31/10	1,000	-	1,000	1,000	-
L11GL483300	Family Case Management	IL Dept of Human Serv	7/1/09-6/30/10	427,061	(108,531)	318,561	210,030	-
M11GM483300	Family Case Management	IL Dept of Human Serv	7/1/10-6/30/11	414,758	-	-	207,379	(207,379)
K11GK483440	Target Int. Prenatal Case Mgt.	IL Dept of Human Serv	7/1/08-6/30/09	196,795	(1,700)	1,700	-	-
L11GL483440	Target Int. Prenatal Case Mgt.	IL Dept of Human Serv	7/1/09-6/30/10	169,987	(64,497)	160,621	97,874	(1,750)
M11GM483440	Target Int. Prenatal Case Mgt.	IL Dept of Human Serv	7/1/10-6/30/11	152,988	-	-	70,391	(70,391)
L11GM483840	Teen Parent Services	IL Dept of Human Serv	7/1/09-6/30/10	139,500	(52,370)	119,980	67,610	-
M11GM483840	Teen Parent Services	IL Dept of Human Serv	7/1/10-6/30/11	119,345	-	-	39,585	(39,585)
M11GM483230	Teen Pregnancy Prevention	IL Dept of Human Serv	7/1/10-6/30/11	1,170	-	-	1,170	(1,170)
Total Illinois Department of Human Services					(255,767)	845,594	1,064,517	(474,690)
WHW-10303	Groundwater Protect. Committee	IL Env Protection Agency	7/30/09-6/30/12	14,000	(573)	4,678	4,715	(610)
SFY 2010	Solid Waste Enforcement	IL Env Protection Agency	7/1/06-6/30/10	169,662	(42,415)	157,085	114,670	-
R6-2, DLC 8116	Solid Waste Enforcement	IL Env Protection Agency	7/1/10-6/30/11	169,674	-	-	91,011	(91,011)
Total Illinois Environmental Protection Agency					(42,988)	161,763	210,396	(91,621)
FY 09-10	Healthworks	S. IL Healthcare Foundation	7/1/09-6/30/10	2,200	(1,000)	2,200	1,200	-
FY 10-11	Healthworks	S. IL Healthcare Foundation	7/1/10-6/30/11	1,000	-	1,000	1,000	-
Total Southern Illinois Healthcare Foundation					-	1,000	1,000	-
LE-10-7703	Stand Against Cancer	Springfield Urban League	7/1/09-6/30/10	11,000	(4,300)	8,592	4,292	-
LE-11-7703	Stand Against Cancer	Springfield Urban League	7/1/10-6/30/11	11,000	-	-	3,925	(3,925)
Total Springfield Urban League					(4,300)	8,592	8,217	(3,925)
FY 09-10	IL Cancer Screening	East Side Health District	10/1/09-6/30/10	4,611	(512)	3,586	3,074	-
Total East Side Health District					(512)	3,586	3,074	-
FY10	Quality Impv. Mini-Collaborative	IL Public Health Institute	1/10-12/31/10	3,500	-	3,500	3,500	-
Total Illinois Public Health Institute					-	3,500	3,500	-
MV#09-010	Metro-East Auto Theft	IL Criminal Just Info Auth	01/01/09-12/31/09	76,596	(7,883)	7,883	-	-
MV#10-010	Metro-East Auto Theft	IL Criminal Just Info Auth	1/1/10-12/31/10	76,596	-	66,830	76,596	(9,766)
Total Illinois Criminal Justice Information Authority					(7,883)	74,713	76,596	(9,766)
BLV-3424	ALP Update, Phase 2	IL Dept of Transportation	FY2003	57,150	-	5,590	5,590	-
BLV-3729	Update Master Plan-Phase II	IL Dept of Transportation	FY 2007	13,235	-	132	132	-
Total Illinois Department of Transportation					-	5,722	5,722	-

ST CLAIR COUNTY, ILLINOIS
Schedule of State Funded Grants
For the year ended December 31, 2010

<u>Grant Number</u>	<u>Program Name</u>	<u>Grantor Agency</u>	<u>Program Period</u>	<u>Program or Award Amount</u>	<u>Deferred (Receivable) Revenue 12/31/09</u>	<u>Grant Revenue Received</u>	<u>Expenditures</u>	<u>Deferred (Receivable) Revenue 12/31/10</u>
2010-3360-00	State Free Lunch & Breakfast	II State Board of Education	7/1/09-6/30/10		\$ (310)	\$ 1,172	\$ 862	\$ -
2011-3360-00	State Free Lunch & Breakfast	II State Board of Education	7/1/10-6/30/11		-	441	546	(105)
2010-3365-00	School Breakfast Incentive	II State Board of Education	7/1/09-6/30/10		-	18	18	-
	Total for Illinois State Board of Education				(310)	1,631	1,426	(105)
FY10	Voter Registration	IL State Board of Elections	FY 2010	3,716	-	3,716	3,716	-
	Total Illinois State Board of Elections				-	3,716	3,716	-
10-1665	Victim Witness	Office Attorney General	7/1/09-6/30/10	28,900	-	14,450	14,450	-
11-1465	Victim Witness	Office Attorney General	7/1/10-6/30/11	27,500	-	-	13,750	(13,750)
	Total Office Attorney General				-	14,450	28,200	(13,750)
2010	Land of Lincoln Self Help Center	IL Equal Justice Foundation	11/1/09-8/31/10	9,166	(1,848)	9,166	7,318	-
	Total IL Equal Justice Foundation				(1,848)	9,166	7,318	-
10-203017	Grant Management Program	IL Dept. of Commerce & Economic Opp.	1/1/10 - 12/31/10	150,000	-	150,000	150,000	-
	Total Illinois Department of Commerce & Economic Opportunity				-	150,000	150,000	-
	Total State and Local Funded Grants				\$ (704,302)	\$ 2,719,994	\$ 2,973,194	\$ (957,502)

PASSENGER FACILITY CHARGES SECTION

**REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON PASSENGER
FACILITY CHARGE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE**

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

Compliance

We have audited the compliance of St. Clair County, Illinois (County) with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (Guide), that could have a direct and material effect on its passenger facility charge program for the year ended December 31, 2010. Compliance with the requirements of laws and regulations applicable to its passenger facility charge program is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

Our audit, described below, did not include the operations of St. Clair County Intergovernmental Grants Department, St. Clair County Public Building Commission, and the Flood Prevention District considered component units, because they engaged other auditors to perform an audit in accordance with OMB Circular A-133 and/or an audit of their general-purpose financial statements.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to its passenger facility charge program for the year ended December 31, 2010

Internal Control Over Compliance

The management of St. Clair County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations applicable to the passenger facility charge program. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on the passenger facility charge program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a passenger facility program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a passenger facility program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the finance committee, management, state authorities, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

J.W. Boyle & Co., Ltd.

J.W. Boyle & Co., Ltd.

September 14, 2011

ST. CLAIR COUNTY, ILLINOIS

Schedule of Passenger Facility Charges For the year ended December 31, 2010

Approved Project Title: New Airport Construction
FAA LOI Grant #3-17-0146-04 thru 18
Approved project budget: \$7,000,000
Approved beginning October 1, 2005

	<u>Earned</u>	<u>Collected</u>	<u>Receivable</u>
Funds available January 1, 2010		\$ 245,132	
Passenger facility charges revenue			
Balance January 1, 2010	\$ -	\$ -	\$ 610
1st quarter	-	610	
2nd quarter	-	-	
3rd quarter	-	-	
4th quarter	-	-	
	<u>\$ -</u>	<u>610</u>	
Balance December 31, 2010			<u>\$ -</u>
Interest received			
1st quarter		323	
2nd quarter		505	
3rd quarter		335	
4th quarter		<u>257</u>	
Total received		<u>1,420</u>	
Expenditures on approved projects		<u>-</u>	
Funds available December 31, 2010		<u>\$ 247,162</u>	

Notes to the Schedule of Passenger Facility Charges

General

The accompanying schedule presents all activity of the Airport's Passenger Facility Charge (PFC) program.

Basis of Presentation

The accompanying schedule is presented on the accrual basis of accounting which is described in the notes to the County's basic financial statements.

ST. CLAIR COUNTY, ILLINOIS

Schedule of Findings and Questioned Costs For the year ended December 31, 2010

SECTION I - SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses a qualified opinion on the financial statements of St. Clair County, Illinois. The qualification extends only to the exclusion of its component units which are audited by other auditors.
2. No reportable conditions relating to the audit of the primary government financial statements are reported in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of non-compliance material to the financial statements of St. Clair County, Illinois were disclosed during the audit.
4. No reportable conditions relating to the audit of the passenger facility charge program are reported in the Report on Compliance with Requirements Applicable to the Passenger Facility Charge Program and on Internal Control Over Compliance.
5. There were no audit findings disclosed.

SECTION II - PASSENGER FACILITY CHARGE PROGRAM FINDINGS & QUESTIONED COSTS

1. There were no matters reported