ST. CLAIR COUNTY

ILLINOIS

ANNUAL SINGLE AUDIT REPORT

For the Fiscal Year Ended December 31, 2011

ST. CLAIR COUNTY, ILLINOIS

Annual Single Audit Report

For the year ended December 31, 2011

ST. CLAIR COUNTY, ILLINOIS
Annual Financial Report
For the year ended December 31, 2011

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INTRODUCTORY SECTION

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August 15, 2012

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, 2011, in conformity with accounting principles generally accepted in the United States of America (GAAP). The financial statements have been audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

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, 2011, 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, 2011 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 of 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, 2011 was 10.4%; up from the 9.8% mark at the end of 2010, but was down to 9.0% by May, 2012. Due to its varied industries and its proximity to the St. Louis metropolitan area, the rate was nearly the same as 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 2011 and the assessed values for real tax purposes fell by nearly 2% as assessments were brought more in line with the lower housing prices. 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 and in 2011 Boeing began certain aircraft parts manufacturing operations in a 50,000 square foot facility. The Illinois State Police hanger is the base for various law enforcement operations from the airport. The Airport holds a foreign trade zone location designation and has a Customs and Border Patrol facility on site. These attributes allowed a new tenant, North Bay Produce, to begin international cargo operations in a new refrigerated facility in 2012.

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 Interstate 64 corridor, the County has invested millions of dollars to expand roadways to better connect various parts of the County and facilitate travel for its residents. A major interchange planned for construction by the state near Scott Air

Force Base/MidAmerica St. Louis Airport is expected to increase commercial development in the area where the County owns significant acreage. It is estimated that the County's investment in the property around the airport has already risen substantially in the last few years. Illinois, Missouri, the U.S. Department of Transportation, St. Clair County, and neighboring counties have started building another bridge across the Mississippi which is scheduled for completion in 2014. 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. These improvements have become especially critical as more than $50 million is being invested in the expansion of barge/rail/truck terminals within the County along the Mississippi River with more projects in the engineering phases.

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 of 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. During 2011, the MidAmerica runway was the only runway available to Scott for five months as their runway was under repair.

MidAmerica St Louis Airport 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. New cargo facilities were completed in 2012 to accommodate both dry and refrigerated commodities allowing a new tenant to begin operations importing and exporting perishable fruits and vegetables. Concentrated efforts to bring additional scheduled international cargo flights continue as well as addressing the interest in reestablishing passenger service. Airport officials believe the return of passenger service is imminent leading to the collection of Passenger Facility Charges and eligibility for additional Airport Improvement funding from the FAA.

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 2012.

Interest rates and investment earnings also have an impact on the County's plans for acquiring and retiring debt. In December, 2011, the County, through the Public Building Commission, took advantage of the lower long-term bond rates by retiring some and refinancing certain bonds used to finance the purchase of and improvements to County properties. In addition to interest savings, the County was able to restructure its debt service requirements to reduce demands on resources in the near term. 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.
The County continues to make concentrated efforts to contain insurance costs. 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 2011. General government premiums for general liability, property, and worker's compensation insurance premiums decreased slightly from $1,198,000 in 2010 to $1,189,000 in 2011. Airport insurance premium expenses also decreased; $501,000 in 2010 to $438,000 in 2011.

The County has been aggressive in its attempts to curtail rising employee medical costs while still providing good benefits. Claims and premium costs have seen dramatic changes and fluctuation in recent years. In addition to rising medical costs, the number and types of medical incidents affect the annual costs. The 2011 costs were $10.2 million as opposed to the $11.4 million in 2010. The County has also 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 and review other service options.

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 excess of $39 million by the end of 2011 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 2011, the rates have changed as follows: Regular employees, .96% to 11.73%; SLEP (law enforcement), 12.80% to 20.55%; and ECO (elected officials), 44.31% to 39.53%. Rates for 2012 changed to 11.46%, 21.84% and 37.46% respectively. Pension costs paid by the County for 2011 were $5.7 million.

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

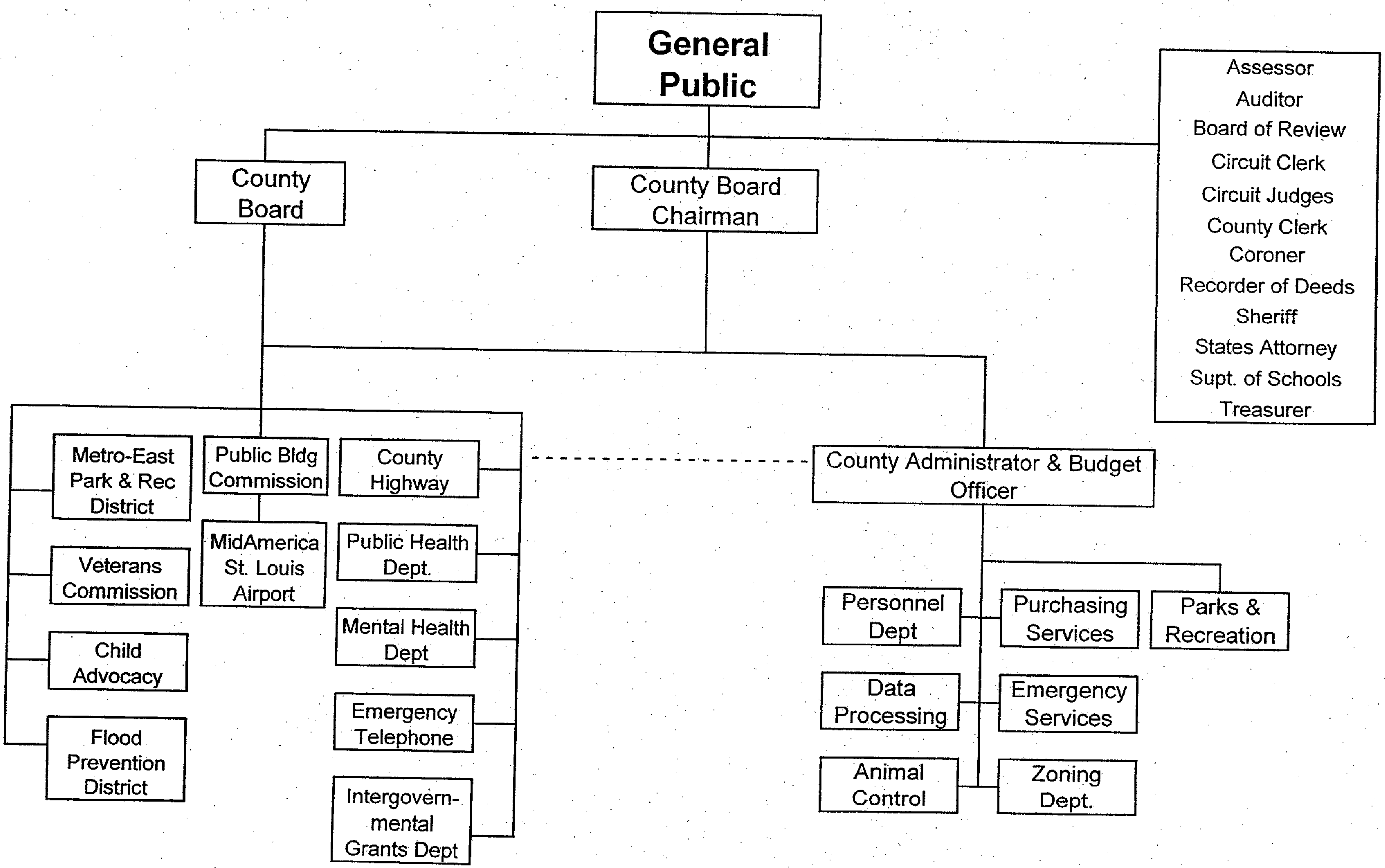
this report. Credit also must be given to the Chairman and County Board for their support for maintaining integrity and ethical values and for their commitment to competence and professionalism in the management of St. Clair County finances.

Respectfully,

Patty A. Sprague

Patty A. Sprague
St. Clair County Auditor

St. Clair County, Illinois
Organizational Chart
December 31, 2011



ST. CLAIR COUNTY, ILLINOIS

Principal Officials

December 31, 2011

County Board Members

Carl A. Gomez
Willie McIntosh
Tommy Dancy
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
Kahalah Dixon, 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
Susan Sarfaty, 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
James Fields, Superintendant of Highways
Dave Lang, Director, Data Processing
Tom Maziarz, Manager, Central Services
Frank Bergman, 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

CERTIFIED PUBLIC ACCOUNTANTS
J.W.BOYLE & CO., LTD.
ESTABLISHED 1924

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, 2011, 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, 2011, 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.

COPPER BEND CENTRE
2810 FRANK SCOTT PARKWAY WEST, SUITE 812
BELLEVILLE, ILLINOIS 62223-5092

In accordance with *Government Auditing Standards*, we have also issued a report dated August 15, 2012 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 considered 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 3 through 14 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 and the other auditors 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.

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.

J W Boyle & Co., Ltd.

J.W. Boyle & Co., Ltd.

August 15, 2012

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, 2011. 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 $361,845,000 (net assets). Of this amount, $90,708,000 is restricted for specific purposes of governmental activities. $217,139,000 accounts for the net capital assets less related debt.
- The County reduced the operating expenses of governmental activities by $7.3 million from the prior year while reducing the expenses of the Airport by $3 million to offset decreases in revenues.
- The governmental activities posted an increase in net assets of $6.4 million.

Overview of the Financial Statements

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

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

The *statement of net 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 are 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 14-16 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 17-20 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-B19 of this report.

The basic proprietary funds financial statements can be found on pages 21-25 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 26-27 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 28-55 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 Transportation, the Lease Payable, and the Debt Service funds to demonstrate compliance with the budget on pages A5-A8. 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-B21 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 $361,845,000 at the close of 2011.

The governmental activities' assets account for 69% of total assets of the County; 51% of the liabilities; and 76% 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	
	2011	2010	2011	2010	2011	2010
Current assets	$ 204,545	$ 211,882	$ (1,838)	$ 1,301	$ 202,707	$ 213,183
Restricted assets	-	-	4,406	4,215	4,406	4,215
Capital assets	137,715	131,162	149,772	153,645	287,487	284,807
Other long-term assets	232	232	-	-	232	232
Total assets	342,492	343,276	152,340	159,161	494,832	502,437
Current liabilities	46,376	51,963	1,923	1,989	48,299	53,952
Long-term liabilities	21,454	23,008	63,235	61,938	84,689	84,946
Total liabilities	67,830	74,971	65,158	63,927	132,988	138,898

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Net assets:						
Invested in capital assets, net of related debt	114,977	107,297	102,162	107,044	217,139	214,341
Restricted	90,708	91,241	-	-	90,708	91,241
Unrestricted	68,977	69,767	(14,979)	(11,810)	53,998	57,957
Total net assets	$ 274,662	$ 268,305	$ 87,183	$ 95,234	$ 361,845	$ 363,539

Current and restricted assets, comprised predominantly of cash and investments and receivables, decreased $10.3 million from 2010. Cash and investments fell nearly $12 million as a result of paying debt service, capital improvements and reductions in revenues collected. Taxes receivable increased $775,000 as the final collections and distribution of the 2010 taxes were delayed until after the end of the year. Nearly $32.5 million in 2011 property tax receivables are included in current assets but will not be collected until mid-2012 to finance the 2012/2013 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 $4.5 million of airport funds; $4 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 2011 included nearly $15 million in capital asset additions; parks, $4.9 million; road infrastructure, $8.6 million; equipment, $1.2 million; and land and buildings, $.7 million. 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 $78 million or 56% 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, 2011, 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 98% of Airport assets, have been financed with County, state, and federal contributions in addition to debt proceeds. The County continues to make improvements with the financial assistance of FAA and state grant funds when feasible as well as County contributions.

Long-term debt represents a major component of liabilities (64%) and, for the most part, is a direct result of financing capital asset and improvements and interest accretion on outstanding debt. In 2011, the County restructured its capital lease obligations with the Public Building Commission for both the governmental and airport activities to reduce debt service requirements in the near term. 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 $361,845,000 (net assets). Approximately 25% of net assets are restricted for specific use; $90,708,000 are restricted for specific purposes of governmental activities. The investment in net capital assets less related debt was $217,139,000 at the end of 2011. 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 $1.7 million during 2011. Governmental activities provided a positive change of $6.4 million to lessen the effect of an $8.1 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	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	$ 24,536	$ 25,342	$ 3,704	$ 3,166	$ 28,240	$ 28,508
Operating grants & contributions	17,465	18,742	-	3,043	17,465	21,785
Capital grants & contributions	2,372	3,430	655	388	3,027	3,818
General revenues:						
Property taxes	33,149	33,601	-	-	33,149	33,601
Other taxes	15,573	15,645	-	-	15,573	15,645
Investment earnings	997	1,924	140	157	1,137	2,081
Other	120	30	(17)	-	103	30
Total revenues	94,212	98,714	4,482	6,754	98,694	105,468
Expenses:						
General government	15,549	21,451	-	-	15,549	21,451
Public safety	33,648	33,139	-	-	33,648	33,139
Judicial	12,408	11,697	-	-	12,408	11,697
Transportation	10,448	10,805	-	-	10,448	10,805
Public health	11,922	14,035	-	-	11,922	14,035
Interest - long-term debt	646	802	-	-	646	802
Airport operations	-	-	15,767	18,797	15,767	18,797
Total expenses	84,621	91,929	15,767	18,797	100,388	110,726
Increase (decrease) in net assets before transfers	9,591	6,785	(11,285)	(12,043)	(1,694)	(5,258)
Transfers	(3,234)	(3,997)	3,234	3,997	-	-
Increase (decrease) in net assets	6,357	2,788	(8,051)	(8,046)	(1,694)	(5,258)
Net assets-beginning	268,305	265,517	95,234	103,280	363,539	368,797
Net assets-ending	$ 274,662	$ 268,305	$ 87,183	$ 95,234	$ 361,845	$ 363,539

Governmental Activities

Total revenues dropped by $4.5 million from 2010. This net decrease is due largely to declines of nearly $2.3 million in federal and state grant programs for energy renovations, public health, and transportation projects. Charges for services slipped by $806,000 while investment earnings fell by $927,000. The continued slide of interest rates and reduced investment balances during 2011 led to the decline.

Property taxes continue to account for approximately 35% of governmental revenues. The County decreased its tax rate slightly from .9168 to .9158 for taxes collected in 2011. This decrease with the decrease in assessed valuations resulted in lower property tax revenues of $452,000. Other tax revenues had a net decrease of $72,000.

Overall governmental expenses decreased approximately $7,306,000. Employee benefits costs (retirement and medical) increased for all functional areas as well as a slight increase in payroll. The most substantial decrease was in General Government expenses. Offsetting increases in the employee payroll and benefits, the decrease of $5.9 million was also attributable to decreases in demolitions, park grants, lease costs, and tort insurance. Transportation expenses decreased by $356,000. These expenses tend to fluctuate with weather and scheduled projects. Public Health expenses declined $2.1 million due to decreased demolition costs and certain vaccinations, food, and other in-kind grants. Public safety expenses showed an increase of more than $509,000 while Judicial expenses increased $711,000.

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 as part of the compliance with FAA grant assurances and the joint-use agreement with Scott Air Force Base. These costs include, but are not limited to, fire safety and security, insurance, and runway maintenance. The Airport posted an $8.1 million reduction in net assets for 2011 of which $5.8 was from depreciation. The airport was able to reduce certain operating costs, less was spent on marketing, and the master plan required by the FAA was completed in 2010 thereby reducing the operating deficit by $3.5 million from the prior year.

Net fuel revenues were down $42,000 in 2011 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.

No operating grants were received in 2011. State and federal operating grants received in 2010 supported the airport master plan project and certain cargo inspection processes. Other contributions supported marketing efforts in 2010. The Air Force did contribute $240,000 for use of the MidAmerica runway for five months during the closure of their runway in 2011. Capital grants for improvements were down $75,000 from 2010 while the value of equipment received from the government surplus program generated $342,500 of contributed capital.

Overall expenses were down more than $3 million. Fuel purchases were down slightly, $47,000, while other operating expenses (without regard to depreciation) declined by $3.2 million. Financing costs increased by $34,000. Depreciation of $5.8 million accounted for 37% of Airport expenses.

Interest continues to be a major expense of the Airport. Interest expense was $4,065,000 in 2011. Interest of $864,000 was accrued as part of the accretion of the capital appreciation bonds and leases and $2,587,000 was charged for the current interest bonds and other debt. Amortization of $614,000 in other financing costs was also expensed in 2011.

The County continues to subsidize the Airport through operating transfers from other County funds. These transfers included cash of $1,905,000 and costs of nearly $1,329,000 paid on behalf of the Airport. These costs included personnel benefit costs of $309,000, insurance of $480,000, and debt service of $540,000.

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 unrestricted 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 2011, St. Clair County's governmental funds reported combined ending fund balances of approximately $157 million, a decrease of $3 million from 2010 after a transfer of nearly $3.2 million to the Airport. Approximately $20 million (13%) constitutes an unassigned fund balance which is available for spending at the government's discretion. The remainder of the fund balance is non-spendable, restricted, committed, or assigned; not available for new spending because it has already been committed to pay debt service, insurance costs and claims, or other restrictive purposes as designated by statute or management.

The General Fund is the chief operating fund of St. Clair County. At the end of the current fiscal year, an unassigned fund balance of the General Fund was $20 million, while the total fund balance was $50 million. Certain prepaid expenses and inventory account for $1.5 million of non-spendable fund balances while $3.4 million is restricted for tort liability as required by state statute. The County has committed $8 million to fund certain County construction projects in 2012 and another $17 million for working cash that approximates six months operating expenses.

There was a $644,000 decrease in the fund balance of the General Fund. Revenues declined by more than $3 million and expenditures were reduced by approximately $94,000; the General Fund made $781,000 fewer transfers to other funds in 2011. Property taxes fell by $216,000, while state income, personal property tax replacement, and sales tax fell by $727,000. Revenues for licenses and fees went down $1.5 million. Revenues from federal and state agencies increased by $346,000. Investment earnings were dropped $1 million.

The Transportation Fund had a fund balance of $30 million at the end of 2011. This was down $3.5 million from 2010. Revenues and expenditures fluctuate from year to year due to construction projects and participation by federal, state, and other local units. Revenues rose more than $232,000; motor fuel tax is down $182,000 while local contributions for projects was up $415,000. Expenditures were up $3.7 million. Transfers of $1,738,000 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 was lower by $232,000. Little change in revenues as property taxes decreased $28,000 while other revenues increased $14,000. Taxes are levied to fund capital lease payment requirements, operations, and maintenance on certain County owned property. Expenditures and transfers increased $99,000.

The Debt Service Fund had little activity in 2011. Revenues, consisting primarily of investment earnings, were up by $32,000. Debt service payments changed by $7,000. Debt service payments are offset by the transfer-in from the Transportation 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 $325,000 compared to a loss of $2,528,000 in 2010. Premiums charged were increased by nearly $1 million from 2010 while insurance premiums, claims and administrative costs down $1,210,000.

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 $9.2 million. Property taxes were lower than budgeted by $4.7. Investment earnings were $705,000 less than expected. General licenses, fines and fees, revenues from other agencies and miscellaneous revenues were $4.9 less. State income, personal property replacement, and sales taxes were more than expected by $1.1 million.

As in prior years, the most significant variance in the General Fund is in general government expenditures. This difference of $21 million relates predominantly in the Capital Replacement ($15,956,000) and Tort ($3,562,000) 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 2011 was $284,487,000, 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	
	2011	2010	2011	2010	2011	2010
Land and improvements	$ 15,579	$ 10,508	$ 43,418	$ 43,484	$ 58,997	$ 53,992
Buildings & support facilities	32,639	30,641	25,362	24,152	58,001	54,793
Construction in progress	2,298	7,020	580	2,588	2,878	9,608
Machinery and equipment	14,582	15,931	7,713	7,095	22,295	23,026
Projects in progress	110	86	-	-	110	86
Infrastructure-highway	68,262	61,658	-	-	68,262	61,658
Infrastructure-airport	-	-	72,699	76,326	72,699	76,326
Infrastructure in progress	4,245	5,318	-	-	4,245	5,318
Total	$ 137,715	$ 131,162	$ 149,772	$ 153,645	$ 287,487	$ 284,807

In 2011, the County completed several projects that had been included in the plan to repair and upgrade many of the aging facilities and to comply with requirements specified by the Department of Justice under the ADA regulations. Energy improvements to several County buildings totaling nearly $2.4 million were funded predominately by a federal energy grant. Other improvements included a guardhouse, courtroom renovations and jail improvements. Additional green space was also acquired totaling $5 million as part of the park expansion program funded from dedicated sales tax revenues from the Metro Parks program. Construction in progress at the end of 2011 was $2.3 million and included ADA projects and jail improvements.

With the changes in the County, the Highway Department is constantly improving the road system. Major road improvements continued in 2011. Projects underway at the end of the year were $4.2 million while the County completed $6.6 million in road improvements.

The Airport continued to make investments in equipment and facility improvements during 2011. Upgrades to the runway lighting and fire suppression systems were completed as well as the $2.6 million tenant facility and equipment substantially completed in 2010. Other equipment totaling nearly $500,000 was acquired for the most part through the government surplus program. Construction in progress totaling $580,000 at the end of 2011 included an expansion of a ramp, funded predominantly by FAA funds, and a refrigerated cargo facility. Depreciation expense for 2011 was $5.8 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 $2,434,000 from 2010. At the end of the year, St. Clair County had outstanding long-term debt in the amount of $87,446,000. Of the total, 74% of the debt was from the Airport activities.

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

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Capital lease obligations	$ 10,082	$ 12,515	$ 12,388	$ 11,690	$ 22,470	$ 24,205
Revenue bonds	11,123	12,448	-	-	11,123	12,448
Certificates of participation	-	-	350	685	350	685
General obligation bonds	-	-	45,342	44,562	45,342	44,562
Due to Public Building Commission	-	-	6,330	5,876	6,330	5,876
Rent credits	359	563	-	-	359	563
Insurance claims	1,472	1,541	-	-	1,472	1,541
Total	$ 23,036	$ 27,067	$ 64,410	$ 62,813	$ 87,446	$ 89,880

Governmental Activities

Long-term obligations for governmental activities decreased by $4,031,000, stemming in large part to the increased principal payments. The estimated long-term insurance claims decreased by $69,000. 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 $2,595,000 were offset by interest accretion and amortization of $162,000. Highway funds were used to make principal payments of $1,295,000 on Highway revenue bonds reducing the recorded debt by $1,325,051 after amortization charges. Changes are discussed in more detail in the notes to the financial statements.

Business-type Activities

The majority (74%) of the debt of the County relates to the Airport activities The Airport made principal payments of $335,000 on its certificates of participation. Accretion of interest on the general obligation capital appreciation bonds was $166,000 with net amortization costs of $614,000. Certain capital lease obligations were reduced by $540,000 (funded by the Lease Payable Fund) but were offset by interest accretion of $698,000. In December of 2011, the County refinanced certain airport capital lease obligations to reduce the future debt service requirements in the near term and to take advantage of lower interest rates being offered. Cost associated with the refinancing led to a net increase of $698,000 in capital lease obligations. The Public Building Commission advanced the Airport funds in the amount of $454,000 in 2011.

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 valuations are occurring 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 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 2012.

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 again and that general fund balances will continue to help finance Airport operations in the near future.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

ST. CLAIR COUNTY, ILLINOIS
Statement of Net Assets
December 31, 2011

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash	$ 5,570,450	$ 521,116	$ 6,091,566
Equity in cash and investment pool	147,223,878	199,887	147,423,765
Funds held in trust	-	38,189	38,189
Accounts receivable	11,956,448	256,692	12,213,140
Taxes receivable (net)	34,401,058	-	34,401,058
Interest receivable	156,360	3,237	159,597
Internal balances	3,343,358	(3,343,358)	-
Inventory	410,142	486,643	896,785
Prepaid expenditures	1,482,822	-	1,482,822
Total current assets	204,544,516	(1,837,594)	202,706,922
Restricted assets			
Equity in cash and investment pool	-	248,687	248,687
Funds held in trust	-	4,063,127	4,063,127
Interest receivable	-	32,496	32,496
Deposits	-	61,553	61,553
Total restricted assets	-	4,405,863	4,405,863
Noncurrent assets			
Advances to Public Building Commission	232,654	-	232,654
Fixed assets	137,714,823	149,772,393	287,487,216
Total noncurrent assets	137,947,477	149,772,393	287,719,870
Total assets	342,491,993	152,340,662	494,832,655

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Statement of Net Assets
(continued)
December 31, 2011

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities			
Accounts payable	$ 2,149,747	$ 445,996	$ 2,595,743
Accrued salaries	1,584,375	37,290	1,621,665
Accrued payroll related costs	3,554,112	84,984	3,639,096
Accrued interest	278,312	677,698	956,010
Funds held in escrow	891,986	41,744	933,730
Insurance claims	2,498,847	-	2,498,847
Deferred income, taxes and related fees	33,836,892	-	33,836,892
Revenue bonds-current	1,360,000	-	1,360,000
Certificates of participation - current	-	350,000	350,000
Obligations under capital lease - current	-	285,000	285,000
Rent credits - current	221,500	-	221,500
Total current liabilites	46,375,771	1,922,712	48,298,483
Noncurrent liabilities			
Due to Public Building Commission	-	6,330,442	6,330,442
General obligation bonds payable	-	45,341,862	45,341,862
Revenue bonds	9,763,170	-	9,763,170
Obligations under capital lease	10,081,403	11,562,558	21,643,961
Rent credits	137,878	-	137,878
Insurance claims	1,471,951	-	1,471,951
Total noncurrent liabilites	21,454,402	63,234,862	84,689,264
Total liabilities	67,830,173	65,157,574	132,987,747
NET ASSETS			
Net assets invested in capital assets - net of related debt	114,976,772	102,161,775	217,138,547
Restricted net assets	90,708,155	-	90,708,155
Unrestricted net assets	68,976,893	(14,978,687)	53,998,206
Total net assets	$ 274,661,820	$ 87,183,088	$ 361,844,908

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Statement of Activities
For the year ended December 31, 2011

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Goods and Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Function/Programs							
Governmental activities							
General government	$ 15,549,031	$ 6,875,782	$ 2,497,509	$ 494,733	$ (5,681,007)	$ -	$ (5,681,007)
Public safety	33,648,481	7,289,992	2,484,351	93,575	(23,780,563)	-	(23,780,563)
Judicial	12,407,822	7,901,149	1,104,483	-	(3,402,190)	-	(3,402,190)
Transportation	10,448,670	611,223	4,873,567	1,783,906	(3,179,974)	-	(3,179,974)
Public health	11,922,429	1,857,529	6,504,947	-	(3,559,953)	-	(3,559,953)
Unallocated interest	645,726	-	-	-	(645,726)	-	(645,726)
Total governmental activities	84,622,159	24,535,675	17,464,857	2,372,214	(40,249,413)	-	(40,249,413)
Business-type activities							
Airport	15,767,407	3,704,282	-	655,214	-	(11,407,911)	(11,407,911)
Total	$100,389,566	$28,239,957	$17,464,857	$3,027,428	(40,249,413)	(11,407,911)	(51,657,324)
		General revenues					
		Taxes					
		Property taxes			33,149,389	-	33,149,389
		Sales taxes			8,803,182	-	8,803,182
		Personal property replacement tax			2,381,245	-	2,381,245
		State income tax			4,285,619	-	4,285,619
		Hotel/motel tax			13,736	-	13,736
		Pari-mutual tax			89,210	-	89,210
		Unrestricted investment earnings			997,396	140,313	1,137,709
		Miscellaneous			118,853	-	118,853
		Gain (loss) on disposal of assets			984	(17,489)	(16,505)
		Transfers			(3,234,012)	3,234,012	-
		Total general revenues and transfers			46,605,602	3,356,836	49,962,438
		Change in net assets			6,356,189	(8,051,075)	(1,694,886)
		Net assets - beginning			268,305,631	95,234,163	363,539,794
		Net assets - ending			$ 274,661,820	$ 87,183,088	$ 361,844,908

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Balance Sheet
Governmental Funds
December 31, 2011

	General	Transportation Fund	Lease Payable Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	$ 2,928,054	$ 297,680	$ 546,916	$ -	$ 1,797,775	$ 5,570,425
Equity in cash and investment pool	42,208,033	29,223,529	7,321,300	22,513,437	41,919,355	143,185,654
Accounts receivable	3,106,696	309,436	1,853	-	4,916,873	8,334,858
Taxes receivable	8,317,794	5,088,566	9,420,132	-	11,574,566	34,401,058
Interest receivable	48,253	32,097	8,668	21,233	40,693	150,944
Internal balances	4,765,388	117,105	-	-	283,779	5,166,272
Inventory	189,144	184,907			36,091	410,142
Prepaid expenditures	1,298,509	-	164,250	-	20,063	1,482,822
Advance to Public Building Commission	-	-	232,654	-	-	232,654
	$ 62,861,871	$ 35,253,320	$ 17,695,773	$ 22,534,670	$ 60,589,195	$ 198,934,829
LIABILITIES AND FUND BALANCE						
Liabilities						
Accounts payable	$ 744,817	$ 598,369	$ -	$ -	$ 787,827	$ 2,131,013
Accrued salaries	1,071,385	110,200	-	-	396,115	1,577,700
Accrued payroll related costs	-	-	-	-	363,456	363,456
Internal balances	344,606	-	-	-	1,483,999	1,828,605
Funds held in escrow	891,986	-	-	-	-	891,986
Other liabilities	1,391,079	-	-	-	-	1,391,079
Deferred income	8,189,612	4,815,897	8,918,329	-	11,791,990	33,715,828
Total liabilities	12,633,485	5,524,466	8,918,329	-	14,823,387	41,899,667
Fund balances						
Nonspendable	1,487,653	184,907	-	-	36,091	1,708,651
Restricted	3,438,015	29,543,947	8,777,444	5,064,721	45,686,225	92,510,352
Committed	25,434,640	-	-	2,983,650	-	28,418,290
Assigned	-	-	-	14,486,299	-	14,486,299
Unassigned	19,868,078	-	-	-	43,492	19,911,570
Total fund balances	50,228,386	29,728,854	8,777,444	22,534,670	45,765,808	157,035,162
Total liabilities and fund balances	$ 62,861,871	$ 35,253,320	$ 17,695,773	$ 22,534,670	$ 60,589,195	$ 198,934,829

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Reconciliation of Balance Sheet of Governmental Funds to the Statement of Net Assets
December 31, 2011

Total fund balances for governmental funds		$ 157,035,162
Total net assets reported for governmental activities in the statement of net assets is different because:		
Receivables and funds held in trust applicable to the County's governmental activities that do not provide current financial resources are not reported as receivables in the funds.		3,350,265
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	$ 42,947,560	
Machinery and equipment, net of accumulated depreciation	14,581,861	
Infrastructure, net of accumulated depreciation	77,778,204	
Construction and projects in process	2,407,198	
Total capital assets		137,714,823
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:		3,003,292
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, 2011 are:		
Rent credits	$ (359,378)	
Insurance claims	(1,471,951)	
Compensated absences	(3,127,508)	
Accrued interest on debt	(278,312)	
Capital leases	(10,081,403)	
Bonds payable	(11,123,170)	
Total long-term liabilities		(26,441,722)
Total net assets of governmental activities		$ 274,661,820

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2011

	General	Transportation Fund	Lease Payable Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	$ 8,114,365	$ 4,899,074	$ 9,011,937	$ -	$ 11,124,013	$ 33,149,389
Revenue from federal/state agencies	1,404,545	-	-	-	9,481,109	10,885,654
Earnings on investments	307,889	203,267	55,205	139,558	263,715	969,634
Licenses, permits, fines, fees and services	12,408,960	53,842			8,111,907	20,574,709
State income tax	3,995,366	-			-	3,995,366
Personal property replacement tax	2,381,245	-			-	2,381,245
Revenue from local agencies	340,027	840,031	26,113	-	2,455,165	3,661,336
Sales tax	8,687,490	-			-	8,687,490
Motor fuel tax	-	4,873,567	-	-	-	4,873,567
Hotel/motel tax	-	-			13,736	13,736
Pari-mutual tax	89,210	-	-	-	-	89,210
Miscellaneous revenues	119,112	4,391	-	-	252	123,755
	37,848,209	10,874,172	9,093,255	139,558	31,449,897	89,405,091
EXPENDITURES						
Current						
General government	16,428,029	-	4,182,541	-	7,586,480	28,197,050
Public safety	13,014,423	-	-	-	8,999,783	22,014,206
Judicial	5,016,509	-	-	-	2,183,395	7,199,904
Transportation	-	5,691,341	-	-	-	5,691,341
Public health	71,262	-	-	-	9,263,338	9,334,600
Capital outlay						
General government	620,562	-	1,425,776	-	1,938,963	3,985,301
Public safety	429,934	-	105,582	-	212,379	747,895
Judicial	-	-	-	-	28,946	28,946
Transportation	-	6,959,698	-	-	-	6,959,698
Public health	-	-	-	-	42,835	42,835
Debt service						
General government	-	-	3,070,863	-	-	3,070,863
Public safety	-	-	-	-	74,800	74,800
Transportation	-	-	-	1,863,125	-	1,863,125
	35,580,719	12,651,039	8,784,762	1,863,125	30,330,919	89,210,564
Excess of revenues over (under) expenditures	2,267,490	(1,776,867)	308,493	(1,723,567)	1,118,978	194,527
Other financing sources (uses):						
Operating transfers-in	141,260	-	-	1,737,771	617,769	2,496,800
Operating transfers-out	(3,052,915)	(1,737,771)	(540,000)	-	(400,126)	(5,730,812)
Total other financing sources (uses)	(2,911,655)	(1,737,771)	(540,000)	1,737,771	217,643	(3,234,012)
Net changes in fund balances	(644,165)	(3,514,638)	(231,507)	14,204	1,336,621	(3,039,485)
Beginning fund balances	50,872,551	33,243,492	9,008,951	22,520,466	44,429,187	160,074,647
Ending fund balances	$ 50,228,386	$ 29,728,854	$ 8,777,444	$ 22,534,670	$ 45,765,808	$ 157,035,162

See notes to the financial statements.

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, 2011

Net change in fund balances - total governmental funds		$ (3,039,485)
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	$ 5,329,129	
Infrastructure	8,644,587	13,973,716
Depreciation expense in the current period		
Land, buildings, and equipment	$ (4,426,829)	
Infrastructure	(2,982,116)	(7,408,945)
Net effect of disposal transactions		(11,760)
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		(644,856)
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	$ 2,595,000	
Amortization of bond costs and premiums	30,051	
Accreted interest on capital lease obligations	(130,440)	
Amortization of capital lease costs	(31,403)	
Principal payments on bonds	1,295,000	
Change in accrued interest	61,593	
Amortization of rent credits	204,010	4,023,811
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		68,549
Change in compensated absences		3,019
Net change in inventories reported under the purchase method for the fund statements have been recognized under the consumption method for government-wide reporting.		(284,189)
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		(323,671)
Changes in net assets of governmental activities		$ 6,356,189

See Note 9 for further explanation of reclassifications and adjustments.

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Statement of Fund Net Assets
Proprietary Funds
December 31, 2011

	Business-type Activities Enterprise Fund MidAmerica St. Louis Airport	Governmental Activities Internal Service Funds
ASSETS		
Current assets		
Cash	$ 521,116	$ 25
Equity in cash and investment pool	199,887	4,038,224
Funds held in trust	38,189	-
Accounts receivable	256,692	271,325
Interest receivable	3,237	5,416
Internal balances	(3,343,358)	1,151
Inventory	486,643	-
Total current assets	(1,837,594)	4,316,141
Restricted assets		
Equity in investment pool	248,687	-
Funds held in trust	4,063,127	-
Interest receivable	32,496	
Deposits	61,553	-
Total restricted assets	4,405,863	-
Noncurrent assets		
Capital assets	149,772,393	-
Total assets	152,340,662	4,316,141
LIABILITIES		
Current liabilities		
Accounts payable	445,996	18,734
Accrued salaries	37,290	6,675
Accrued payroll related costs	84,984	63,148
Accrued interest	677,698	-
Other liabilities	-	1,107,768
Deferred income	-	121,064
Funds held in escrow	41,744	-
Certificates of participation - current	350,000	-
Obligations under capital lease - current	285,000	-
Total current liabilities	1,922,712	1,317,389

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Statement of Fund Net Assets
Proprietary Funds
(continued)
December 31, 2011

	Business-type Activities Enterprise Fund MidAmerica St. Louis Airport	Governmental Activities Internal Service Funds
Noncurrent liabilities		
Due to Public Building Commission	$ 6,330,442	$ -
General obligation bonds payable	45,341,862	-
Obligations under capital lease	11,562,558	-
Total noncurrent liabilities	63,234,862	-
Total liabilities	65,157,574	1,317,389
NET ASSETS		
Net assets invested in capital assets, net of related debt	102,161,775	-
Restricted net assets	-	546,131
Unrestricted net assets	(14,974,147)	2,452,621
Total net assets	87,187,628	$ 2,998,752
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise fund	(4,540)	
Net assets of business-type activities	$ 87,183,088	

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the year ended December 31, 2011

	Business-type Activities Enterprise Fund MidAmerica St. Louis Airport	Governmental Activities Internal Service Funds
CHARGES FOR GOODS AND SERVICES		
Landing fees and terminal area use charges	$ 241,743	$ -
Rents, concessions and other services	412,111	-
Other	5,794	1,270
Fuel sales (less costs of $2,239,880)	281,158	-
Insurance premiums	-	10,066,760
Total operating revenues	940,806	10,068,030
OPERATING EXPENSES		
Operating expenses	3,566,061	537,953
Insurance claims and premiums	-	9,657,770
Post-employment benefit contribution	-	225,705
Depreciation and amortization	5,819,286	-
Total operating expenses	9,385,347	10,421,428
Operating income (loss)	(8,444,541)	(353,398)
NONOPERATING REVENUES (EXPENSES)		
Investment earnings	140,313	28,818
Interest expense	(4,065,259)	-
Loss on disposal of assets	(17,489)	-
Land leases (net of expenses)	447,583	-
Total nonoperating expenses	(3,494,852)	28,818
Net income (loss)	(11,939,393)	(324,580)
Transfers-in	3,234,012	-
Capital contributions	655,214	-
Change in net assets	(8,050,167)	(324,580)
Net assets - beginning of year	95,237,795	3,323,332
Net assets - end of year	87,187,628	$ 2,998,752
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise fund	(4,540)	
Net assets - business-type activities	$ 87,183,088	

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Statement of Cash Flows
Proprietary Funds
For the year ended December 31, 2011

	Business-type Activities Enterprise Fund MidAmerica St. Louis Airport	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments from customers	$ 3,216,077	$ 1,595,639
Payments from interfund services provided	-	8,497,607
Payments to vendors	(4,258,022)	(10,490,074)
Payments to employees	(890,162)	(175,421)
Net cash provided (used) by operating activities	(1,932,107)	(572,249)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers from general fund	1,905,100	-
Net cash provided (used) by non-capital financing activities	1,905,100	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on certificates of participation	(335,000)	-
Interest paid	(2,546,087)	-
Proceeds from the disposal of assets	5,000	-
Capital grant contributions	199,622	
Capital expenditures	(28,764)	-
Net cash provided (used) by capital and related financing activities	(2,705,229)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment interest	-	34,959
Redemption of investments	2,509,950	537,290
Non-aeronautical leases	438,944	-
Net cash provided (used) by investing activities	2,948,894	572,249
Net increase (decrease) in cash and cash equivalents	216,658	-
Cash and cash equivalents - beginning of year	304,458	25
Cash and cash equivalents - end of year	$ 521,116	$ 25

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Statement of Cash Flows
Proprietary Funds
(continued)
For the year ended December 31, 2011

	Business-type Activities Enterprise Fund MidAmerica St. Louis Airport	Governmental Activities Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	$ (8,444,541)	$ (353,398)
Adjustments to reconcile		
Depreciation and amortization	5,819,286	-
Operating costs paid by capital contributions	788,912	-
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	18,711	(15,139)
Decrease (increase) in inventory	(81,356)	-
Decrease (increase) in due from other funds	-	5,819
Increase (decrease) in advance to Public Building Commission	53,440	-
Increase (decrease) in accounts payable	(89,677)	18,734
Increase (decrease) in accrued wages and related costs	(21,640)	36,405
Increase (decrease) in other liabilities	-	(297,595)
Increase (decrease) in funds held in escrow	24,758	-
Increase (decrease) in deferred income	-	44,620
Increase (decrease) in due to other funds	-	(11,695)
Net cash provided (used) by operating activities	$ (1,932,107)	$ (572,249)
SCHEDULE OF NON-CASH FINANCING AND INVESTING ACTIVITIES		
Interest accreted on bonds and leases (net of amortization)	$ 1,477,672	$ -
Capital contributions		
Capital assets	344,113	-
Capital lease principal and interest	540,000	-
Capital payments made by the Public Building Commission for the Airport	400,391	-
Capital payments made by the General Fund for the Airport	1,038,477	-
Decrease in market value of investments	2,600	2,800

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Statement of Net Assets
Fiduciary Funds
December 31, 2011

	Agency Funds	Post-Employment Health Insurance Trust
ASSETS		
Cash	$ 23,017,608	$ -
Investments	1,354,300	1,453,742
Equity in cash and investment pool	7,173,980	1,006
Accounts receivable	184,555	-
Interest receivable	7,636	6,928
Total assets	31,738,079	1,461,676
LIABILITIES		
Due to taxing districts	19,528,453	-
Held pending protested tax settlement	2,436,063	-
Funds held in escrow	9,773,563	-
Total liabilities	31,738,079	-
NET ASSETS		
Held in trust for OPEB	$ -	$ 1,461,676

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, 2011

	Post-Employment Health Insurance Trust
ADDITIONS	
Contributions	
Employer	$ 225,705
Total contributions	225,705
Investment income	
Interest, dividends and other investment earnings	21,970
Net appreciation in fair value of assets	30,857
Total investment earnings	52,827
Less investment expense	7,457
Net investment earnings	45,370
Total additions	271,075
DEDUCTIONS	
Benefits	-
Total deductions	-
Change in net assets	271,075
Net assets held in trust for OPEB. January 1, 2011	1,190,601
Net assets held in trust for OPEB. December 31, 2011	$ 1,461,676

See notes to the financial statements.

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. 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 restricted or committed to finance specific functions or activities of the County other than debt service or capital projects.
- Debt Service Fund accounts for the accumulation of resources that are restricted, committed or assigned to the payment of general long-term debt principal and interest not accounted for in another fund.

Proprietary Funds

- Internal Service Funds account for the financing of the 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 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. Revenues from categorical and other grants are considered available when eligibility criteria have been met and if received within one year. Property taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual, however, property taxes collected after 60 days have been reported as deferred revenue. Fine and fee revenue items are considered to be measurable and available only when the government receives cash.

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

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

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.

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 2010 property taxes were payable on September 14, 2011 and November 10, 2011 and recognized as revenue in 2011.

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

Inventories and prepaid items

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

Prepaid expenditures 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 the non-spendable fund balances that indicate that they do not constitute "available, spendable resources" in the governmental fund financial statements.

Capital assets

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

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

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.

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.

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	$ 6,091,566	$ 23,017,608	$ 29,109,174
Investments	-	2,808,042	2,808,042
Pooled cash and investments	147,672,452	7,174,986	154,847,438
	$ 153,764,018	$ 33,000,636	$ 186,764,654

Of the total cash and investments, cash deposits are $37,001,383; investments account for $149,716,253 of the total while remaining balances are undeposited cash holdings. Investments, pooled and non-pooled, held by the County are summarized below:

	Fair Value	Maturity
Certificates of deposit - non-negotiable	$ 56,983,246	0 – 6 mos
Certificates of deposit - non-negotiable	15,038,042	6 – 12 mos
Certificates of deposit - non-negotiable	213,556	1 – 3 years
Repurchase agreements	2,434,300	current
Money markets	496,280	current
Investments held by brokers/dealers:		
Certificates of deposit - negotiable	7,604,718	0 – 6 mos
Certificates of deposit - negotiable	4,617,107	6 – 12 mos
Certificates of deposit - negotiable	3,670,198	1 – 3 years
Certificates of deposit - negotiable	752,013	3 – 5 years
Money market	128,815	current
Money market - government funds	2,803,845	current
U.S. Government obligations	9,284,240	0 – 6 mos
U.S. Government obligations	5,551,710	6 – 12 mos
U.S. Government obligations	11,629,915	1 – 3 years
U.S. Government obligations	16,714,204	3 – 5 years
TLGB bonds	2,918,200	1 – 3 years
Investments in Illinois Funds Investment Pool	7,422,122	current
	$ 148,262,511	
Restricted investments		
Investments held by brokers/dealers:		
U.S. Government obligations	$ 70,313	0 – 6 mos
U.S. Government obligations	75,703	6 – 12 mos
U.S. Government obligations	229,062	1 – 3 years
U.S. Government obligations	547,915	3 – 5 years
U.S. Treasury mutual fund	30,425	current
Equity securities	488,860	current
Mutual funds	11,463	current
	$ 1,453,742	

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.

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: $ 23,969,841 in Bank of Edwardsville, $17,128,014 in Citizen's Community Bank, and $9,200,148 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, 2011, $2,013 of the County's bank balances of $137,558,887 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		4,655,321
Service and fee revenues		2,574,278
Other		283,808
Grant and intergovernmental revenues		4,417,860
Related parties		25,181
	$	11,956,448
Airport		
Trade receivables	$	129,509
Grant and intergovernmental revenues		111,541
Other		15,642
	$	256,692

The Airport uses the direct write-off method for uncollectible amounts. During 2011, there were no write-offs.

Property taxes are collected one year in arrears. Although levied in 2011, property taxes will be collected in mid-2012. 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. At December 31, 2011, 2010 taxes of $1,845,590 had not yet been collected and are included in current taxes receivable but are not deferred. Property taxes receivable are as follows:

Current and delinquent taxes	$	34,534,983
Less allowance for uncollectible amounts		133,925
Net taxes receivables	$	34,401,058

The Airport derives a substantial portion of its revenues from non-cancelable operating leases with various tenants. The Airport property's cost under these operating leases, consisting primarily of land, structures, and improvements, at December 31, 2011 was $11,525,823. In 2011 agreements were made whereby an additional facility costing approximately $5.7 million would be leased beginning in mid 2012. The future minimum rentals to be received under these leases, including the new facility, as of December 31, 2011 are as follows:

2012	$ 482,683
2013	575,106
2014	573,438
2015	555,086
2016	555,086
2017-2021	2,775,430
2022-2026	1,503,766
2027-2028	156,110
Rental income under non-cancellable operating leases	$ 7,176,705

4. Capital assets

Capital asset activity for 2011 was as follows:

Governmental activities

	January 1, 2011	Additions	Deletions	December 31, 2011
Assets not being depreciated:				
Land	$ 5,368,135	$ 4,939,934	$ -	$ 10,308,069
Construction in progress	7,019,689	4,094,178	8,816,327	2,297,540
Projects in progress	85,789	57,156	33,287	109,658
Infrastructure				
Construction in progress	5,318,134	8,513,971	9,586,803	4,245,302
Land	5,140,173	130,616	-	5,270,789
	22,931,920	17,735,855	18,436,417	22,231,358
Assets being depreciated:				
Buildings	67,876,872	3,898,991	-	71,775,863
Equipment, furniture, and vehicles	31,013,091	1,188,484	432,620	31,768,955
Infrastructure - Roads	95,989,562	9,586,803	-	105,576,365
	194,879,525	14,674,278	432,620	209,121,183
Total capital assets	217,811,445	32,410,133	18,869,037	231,352,541
Less accumulated depreciation for:				
Buildings	37,235,557	1,900,815	-	39,136,372
Equipment, furniture and Vehicles	15,081,940	2,526,014	420,860	17,187,094
Infrastructure	34,332,136	2,982,116	-	37,314,252
	86,649,633	7,408,945	420,860	93,637,718
Government activity capital assets, net	$131,161,812	$25,001,188	$18,448,177	$ 137,714,823

Land and buildings totaling $43,903,107 are held under capital lease and accumulated depreciation on these assets amounted to $31,394,642 at December 31, 2011. Depreciation charged to governmental activities during the period was as follows:

General government	$ 1,248,454
Judicial	495,104
Transportation	3,200,626
Public safety	2,314,741
Public health	150,020
	$ 7,408,945

Business-type activities – MidAmerica St. Louis Airport

	January 1, 2011	Additions	Deletions	December 31, 2011
Assets not being depreciated:				
Land	$ 42,993,088	$ -	$ -	$ 42,993,088
Construction in progress	2,587,787	1,450,191	3,457,450	580,528
	45,580,875	1,450,191	3,457,450	43,573,616
Assets being depreciated:				
Airfields	90,155,580	49,636	-	90,205,216
Land improvements	740,435	-	-	740,435
Ramps and aprons	17,373,841	-	-	17,373,841
Passenger terminal	18,224,034	-	-	18,224,034
Tenant facilities	8,551,872	1,758,661	-	10,310,533
Utilities	9,032,848	154,450	-	9,187,298
Roads and parking	6,862,822	-	-	6,862,822
Support facilities	5,924,398	453,710	-	6,378,108
Equipment	13,631,853	1,560,139	232.197	14,959,795
	170,497,683	3,976,596	232,197	174,242,082
Total capital assets	216,078,558	5,426,787	3,689,647	217,815,698
Less: Accumulated depreciation	62,433,725	5,819,286	209,706	68,043,305
Business-type activity capital assets, net	$ 153,644,833	$ (392,499)	$ 3,479,941	$ 149,772,393

Depreciation charged to operations was $5,819,286 for 2011. Land of $17,529,127 and equipment totaling $3,966,645 are held under capital lease and accumulated depreciation on these assets amounted to $2,159,368.

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, 2011, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Non-major governmental funds	$ 1,426,570
General Fund	MidAmerica St. Louis Airport	3,338,818
Transportation Fund	General Fund	112,208
Transportation Fund	Non-major governmental funds	4,897
Non-major governmental Funds	Non-major governmental funds	52,532
Non-major governmental Funds	General Fund	231,247
		5,166,272
Internal Service funds	General Fund	1,151
		$ 5,167,423

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:

Receivable Fund	Payable Fund	Amount
General Fund	MidAmerica St. Louis Airport	$ 42,309,848

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

Interfund transfers consist of the following:

Transfers-out	Transfers-in	Governmental Funds	Business-type Funds
General fund	MidAmerica St. Louis Airport	$ -	$ 2,526,340
	Non-major governmental funds	526,575	-
Transportation fund	Debt Service fund	1,737,771	-
Lease payable	MidAmerica St. Louis Airport	-	540,000
Non-major governmental funds	General fund	141,260	-
	Non-major governmental funds	91,194	-
	MidAmerica St. Louis Airport	-	167,672
		$ 2,496,800	$ 3,234,012

In the governmental funds financial statements, total transfers-out exceeded transfers-in by $3,234,012 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 $1,905,100 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:

Purpose	Interest rates	Amount
Governmental Activities		
Buildings and improvements	4.50% - 5.00%	$ 1,600,000
Buildings and improvements	5.875%	4,245,000
Buildings and improvements	5.00%	4,935,000
Business-type Activities		
Airport improvements	2.00% - 5.50%	13,980,000
		$ 24,760,000

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, 2011 for these certificates of participation are as follows:

Purpose	Interest rates	Amount
Business-type Activities		
Airport communications	5.30%	$ 350,000

Governmental Activities

At December 28, 2011, as part of refinancing certain debt and issuing new bonds, the Public Building Commission and the County entered into a new lease agreement covering certain government facilities except those covering airport properties. The County leases its jail, courthouse, detention home, garage, probation, animal control, education, 911, and other office facilities under the lease agreement. Payment of principal, interest, and certain repairs, operations, maintenance and improvements of the facilities are disbursed from annual rents collected from the County. This lease was extended through December 31, 2041. Future minimum lease payments as of December 31, 2011, were as follows:

Year	Total Lease	Operations & Maintenance
2012	$ 10,159,373	$ 9,571,162
2013	10,361,778	9,790,009
2014	10,593,594	10,021,825
2015	10,831,101	10,259,332
2016	11,070,372	10,498,603
2017-2021	59,820,025	56,254,305
2022-2026	54,730,184	51,236,652
2027-2031	51,480,720	49,000,000
2032-2036	57,647,741	49,000,000
2037-2041	51,104,125	49,000,000
	327,799,013	$304,631,888
Less: Amount representing executory cost (i.e., utilities, maintenance, etc.)	304,631,888	
Less: Amount representing interest and amortization	12,387,125	
Obligation under capital lease	$ 10,780,000	

The carrying value of the capital lease obligation is as follows:

Capital lease obligation	$ 10,780,000
Unamortized deferred loss on refinancing	(698,597)
	$ 10,081,403

Rent payments under these leases were $8,784,762 recorded in the Lease Payable Fund, $73,588 included in the Emergency Telephone expenses, $15,057 in the Veterans Assistance expenses, $50,000 in the General Fund expenses, and $236,821 in the County Health expenses. The County has been able to abate certain tax levies for the remaining lease commitments. Lease revenues from other lessees are currently financing the remaining lease commitments in the amount of $266,008 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 $608,488 in 2011.

Business-type activities

The County is also financing certain property acquisitions through leases with the Public Building Commission. At December 28, 2011 the Public Building Commission and the County entered into a new lease agreement as part of refinancing. The new lease was done to reduce cash flow requirements in the near term and extended the debt service requirements from 2016 to 2031. Payment of principal and interest are disbursed from annual rents paid by the County.

Year	Lease
2012	$ 1,130,627
2013	1,154,023
2014	1,152,523
2015	1,149,938
2016	1,150,288
2017-2021	5,048,714
2022-2026	5,126,871
2027-2031	6,157,763
	22,070,747
Less: Amount representing interest and amortization	8,090,747
Obligation under capital lease	$ 13,980,000

The carrying value of the capital lease obligation is as follows:

Capital lease obligation	$ 13,980,000
Unamortized deferred loss on refinancing	(2,132,442)
	$ 11,847,558

The capital lease payment for 2011 for the benefit of the Airport was $540,000 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 $743,659.

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:

Year	Principal	Interest	Total
2012	$ 350,000	$ 18,550	$ 368,550

Interest charged against Airport operations was $31,741.

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 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:

Year	Lease
2012	$ 241,248
2013	140,728
	381,976
Less: Amount representing imputed interest	22,598
Unused rent credits	$ 359,378

Imputed interest expense for 2011 was $37,238.

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.

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:

Year	Principal	Interest	Total
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	1,640,000	217,250	1,857,250
2017-2018	3,525,000	178,375	3,703,375
	$ 11,015,000	$ 1,992,875	$ 13,007,875

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

Outstanding bonds	$ 11,015,000
Unamortized premium	228,848
Unamortized bond issuance costs and deferred refunding loss	(120,678)
	$ 11,123,170

Interest and amortization charged to operations for the transportation function for 2011 was $505,699.

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. Proceeds of $3,843,954 were placed in escrow for the 2016/2017 debt service for the new bonds as required by the alternative debt financing. Capital Appreciation Bonds due in 2016 and 2017 were not subject to optional redemption prior to maturity. The escrow balance at December 31, 2011 was $4,063,127.

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

Year	Principal	Interest	Total	Accreted Value
2016	$ 778,939	$ 1,236,061	$ 2,015,000	$ 1,551,898
2017	777,474	1,347,526	2,125,000	1,548,971
	$ 1,556,413	$ 2,583,587	$ 4,140,000	$ 3,100,869

The carrying value of the Capital Appreciation bonds was:

Capital Appreciation Bonds	$ 3,100,869
Unamortized bond issuance costs and deferred refunding loss	(28,831)
	$ 3,072,038

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:

Year		Principal	Interest	Total
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		-	2,377,400	2,377,400
2017-2021	4.50% - 5.00%	10,425,000	11,213,125	21,638,125
2022-2026	5.00% - 5.25%	19,605,000	7,566,537	27,171,537
2027-2029	5.00% - 5.25%	16,665,000	1,754,438	18,419,438
		$ 50,105,000	$ 32,871,225	$ 82,976,225

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	1,002,349
Unamortized bond issuance costs and deferred refunding loss	(8,837,525)
	$ 42,269,824

Debt service was paid from the MidAmerica St. Louis Airport Fund. Total interest, net of amortization of bond costs, loss and premiums, charged to operations for the General Obligation Refund bond issues amounted to $3,288,556.

<u>Changes in long-term liabilities</u>

The following is a summary of long-term obligation transactions during 2011.

Governmental activities

	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year
Revenue bonds	$12,310,000	$ -	$ 1,295,000	$ 11,015,000	$ 1,360,000
Less deferred amounts					
Issue costs & refunding	(154,204)	-	(33,526)	(120,678)	-
Premium	292,425	-	63,577	228,848	-
	12,448,221	-	1,325,051	11,123,170	1,360,000
Capital leases	12,514,560	9,310,440	11,045,000	10,780,000	-
Less deferred refinancing costs	-	(698,597)	-	(698,597)	-
	12,514,560	8,611,843	11,045,000	10,081,403	
Rent credits	563,389	-	204,011	359,378	221,500
Insurance claims	1,540,500	-	68,549	1,471,951	-
	$27,066,670	$ 8,611,843	$12,642,611	$ 23,035,902	$ 1,581,500

For General Debt, the combined interest cost, including interest from rent credits, was $1,151,425. Interest of $505,699 is charged directly to transportation functions while $645,726 is unallocated.

Business-type activities

	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year
General obligation bonds	$ 53,039,826	$ 166,043	$ -	53,205,869	$ -
Less deferred amounts:					
Issue costs & refunding	(9,558,197)	-	(691,841)	(8,866,356)	-
Premium	1,080,323	-	77,974	1,002,349	-
Total bonds	44,561,952	166,043	(613,867)	45,341,862	-
Capital leases	11,689,796	14,677,762	12,387,558	13,980,000	-
Less deferred refinancing costs	-	(2,132,442)	-	(2,132,442)	-
	11,689,796	12,545,320	12,387,558	11,847,558	-
Certificates of Participation	685,000	-	335,000	350,000	350,000
Due to Public Building Commission	5,876,611	453,831	-	6,330,442	-
	$ 62,813,359	$13,165,194	$12,108,691	$ 63,869,862	$ 350,000

Total Airport interest and amortization expensed aggregated to $4,065,259. 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.

Debt service requirements are as follows:

	Governmental Activities		Business-type Activities		
Year	Debt	Leases	Debt	Leases	Total
2012	$ 1,861,750	$ 10,159,373	$ 2,877,200	$ 1,130,627	$ 16,028,950
2013	1,862,000	10,361,778	2,983,650	1,154,023	16,361,451
2014	1,866,250	10,593,594	3,602,025	1,152,523	17,214,392
2015	1,857,250	10,831,101	4,275,400	1,149,938	18,113,689
2016	1,857,250	11,070,372	4,392,400	1,150,288	18,470,310
2017-2021	3,703,375	59,820,025	23,763,125	5,048,714	92,335,239
2022-2026	-	54,730,184	27,171,537	5,126,871	87,028,592
2027-2031	-	51,480,720	18,419,438	6,157,763	76,057,921
2031-2036	-	57,647,741	-	-	57,647,741
2037-2041	-	51,104,125	-	-	51,104,125
	13,007,875	327,799,013	87,484,775	22,070,747	450,362,410
Executory costs	-	304,631,888	-	-	304,631,888
	$ 13,007,875	$ 23,167,125	$ 87,484,775	$ 22,070,747	$145,730,522

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 – 2011 tax year	$ 3,999,063,725
Debt limit	$ 114,973,082
Total debt authorized and issued:	
Deemed general obligations direct bonded indebtedness	24,760,000
Certificates of Participation	350,000
Other direct general obligation	93,247,802
Legal debt margin	$ (3,384,720)

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

7. Net Assets

The County has reserved $17,316,459 for working cash. In addition, the County has also reserved $8,080,139 for capital projects and expansion at the airport and improvements to County buildings in accordance with optional statutory authority.

The County transferred $17,469,949 from the General Fund to the Debt Service Fund and designated it for retirement of Airport bonds in addition to amounts required by bond covenants. Monthly transfers from the Transportation Fund to the Debt Service Fund are restricted for the debt service payments on the outstanding highway bonds.

Restricted net asset that have been restricted by enabling legislation was $84,238,262.

8. Fund Balances

As of these financial statements, the County adopted GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. Fund balances are classified as follows:

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

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

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

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

Unassigned—All other spendable amounts.

As of December 31, 2011, fund balances are composed of the following:

(in thousands)

	General Fund	Transportation Fund	Lease Payable Fund	Debt Service Fund	Non-Major Funds	Total Governmental Funds
Non-spendable						
Inventory	$ 189	$ 185	$ -	$ -	$ 36	$ 410
Prepaids	1,299	-	-	-	-	1,299
Restricted						
Tort	3,367	-	-	-	1,259	4,626
Public Safety	71	-	-	-	6,114	6,185
Transportation	-	29,544	-	-	-	29,544
Leases	-	-	8,777	-	-	8,777
Debt service	-	-	-	5,065	-	5,065
Public health	-	-	-	-	15,543	15,543
Retirement	-	-	-	-	10,909	10,909
Court services	-	-	-	-	3611	3,611
Parks & rec	-	-	-	-	4,,260	4,260
Other	-	-	-	-	3,991	3,991
Committed						
Working cash	17,316	-	-	-	-	17,316
Capital projects	8,080	-	-	-	-	8,080
Automation	38	-	-	-	-	38
Debt service	-	-	-	2,984	-	2,984
Assigned						
Debt service	-	-	-	14,486	-	14,486
Unassigned	19,868	-	-	-	43	19,911
	$ 50,228	$ 29,729	$ 8,777	$ 22,535	$ 45,766	$ 157,035

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

The Commissary fund had a negative fund balance of $23,738 at December 31, 2011. The fund's deficit will be recovered at a later date.

9. Reconciliation of governmental expenditures activities

Reconciliation of Governmental Expenditures
(in thousands)

	Total	General Government	Public Safety	Judicial	Trans-portation	Public Health	Debt Service	Interest
Governmental funds expenditures	$89,211	$ 35,359	$ 22,731	$ 7,229	$12,651	$9,378	$1,863	$ -
Adjustments:								
Capital outlay	(11,346)	(3,986)	(329)	(29)	(6,954)	(48)	-	-
Depreciation	7,409	1,248	2,315	495	3,201	150	-	-
Debt service	(3,731)	(3,020)	-	-	506	-	(1,863)	646
Change in long-term insurance claims	(68)	(68)	-	-	-	-	-	-
Change in compensated absences	(3)	(25)	17	39	(1)	(33)	-	-
Change in inventories	284	76	-	-	139	69	-	-
In-kind contributions	1,981	-	2	-	-	1,979	-	-
Employee medical costs of components Units	2,122	2,122	-	-	-	-	-	-
Internal service fund Income	(174)	(45)	(47)	(54)	(14)	(14)	-	-
Reclassifications:								
Interfund activity	(1,080)	(825)	355	195	(510)	(295)	-	-
Employee benefits	-	(10,020)	5,796	2,787	894	543	-	-
Insurance costs	17	(2,212)	1,086	413	537	193	-	-
Lease payments	-	(3,055)	1,722	1,333	-	-	-	-
Expenses for Net Activities	$84,622	$ 15,549	$ 33,648	$12,408	$10,449	$11,922	$ -	$ 646

Expenses as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances focus on budgetary classification and 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 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 $193,561,330, exclusive of the airport, and $100,000 self-funded retention amounts per loss. The property coverage includes flood and earthquake risks up to $174,514,200 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 $50 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 with a $5,000 deductible.

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.

The blanket coverage applies to building contents, runways, taxiways and aprons with limits of $202 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, 2011 in the amount of $451,034.

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, 2011, the County estimates settlement to be $2,863,030 of which $1,471,951 is recorded in long-term liabilities in the government-wide financial statements and are payable from Tort funds included with the General Fund accounts. Changes in the balances of claims liabilities were as follows:

Year	Claims Liability January 1	Claims and Changes in Estimates	Claim Payments	Claims Liability December 31
2011	$ 3,446,762	$ 1,034,188	$ 1,617,920	$ 2,863,030
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

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 $12,607,756 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 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
2011	$ 1,405,363	$ 8,385,147	$ 8,682,742	$ 1,107,768
2010	750,700	9,558,932	8,904,269	1,405,363
2009	837,689	8,670,008	8,756,997	750,700

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 annual required contribution rate for calendar year 2011 was 11.73% of annual covered payroll for regular employees, 20.55% for SLEP, and 39.53% 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 calendar year 2011, the County's required contributions were $3,392,322, $1,768,439 and $610,678 for the regular, SLEP and Elected Officials, respectively. These were equal to the County's required and actual contribution.

Three-Year Trend Information for the County Plan

Regular (Non-SLEP) County Employees

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/11	$ 3,392,322	100%	$ 0
12/31/10	3,120,758	100%	0
12/31/09	2,133,818	100%	0

SLEP County Employees

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/11	$ 1,768,439	100%	$ 0
12/31/10	1,651,378	100%	0
12/31/09	1,497,899	100%	0

Elected County Officials

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/11	$ 610,678	100%	$ 0
12/31/10	543,748	100%	0
12/31/09	599,335	100%	0

The required 2011 contribution was determined as part of the December 31, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009, 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 unfunded actuarial accrued liabilities at December 31, 2009 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, 2011, the most recent actuarial valuation date, the County's plan was 81.01% funded for regular employees, 55,62% for SLEP, and 42.95% 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:

Employee Group	Actuarial Accrued Liability (AAL)	Actuarial Value Of Assets	Underfunded UAAL
Regular	$ 97,261,734	$ 78,796,314	$ 18,465,420
SLEP	34,773,815	19,340,441	15,433,374
Elected Officials	9,606,381	4,126,327	5,480,054

Employee Group	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
Regular	$ 28,920,053	63.85%
SLEP	8,605,542	179.34%
Elected Officials	1,544,847	354.73%

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 in 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 $39,378,848. 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 in 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 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 2011, approximately 136 retirees (including spouses) participated in the program, 844 active employees, and 9 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 employees is 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
12/31/08	2,253,318	520,113	1,733,205
12/31/06	1,946,738	-	1,946,738

Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
$ 37,947,806	3%
38,230,339	5%
34,646,924	6%

Annual OPEB Cost. Based on the bi-annual actuarial study done as of January 1, 2011, the County's 2011 required OPEB contribution was $225,705. The County deposited these funds into the trust fund. The annual contribution includes the current year's service cost of $130,286 as well as the amortization of the unfunded actuarial accrued liability (AAL) and investment earnings of $95,419. 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. Values at December 31, 2010:

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

The initial required contribution was determined as part of the December 31, 2006 bi-annual 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
12/31/08	275,087	100%	0	2,253,318	2,253,318
12/31/06	-	NA	NA	1,946,738	1,946,738

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 in increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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, 2011, summarized financial data for the St. Clair County Public Building Commission was as follows:

Current assets	$ 9,351,404
Restricted assets	786,536
Property, plant and equipment	21,414
Due from St. Clair County	5,810,564
Other assets	22,312,370
	38,282,288
Liabilities	
Current liabilities	1,115,785
Long-term liabilities	22,103,517
Due to St. Clair County	232,654
	23,451,956
Net Assets	
Net assets invested in capital assets	21,414
Restricted	232,231
Unrestricted	14,576,687
Total net assets	$ 14,830,332
Operating revenues	$ 8,344,722
Operating expenses	7,911,614
Operating income	433,108
Non-operating revenue (expenses)	24,596
Net income (loss)	457,704
Net assets, beginning of the year	14,372,628
Net assets, end of year	$ 14,830,332

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, 2011 summarized financial data for the St. Clair County Intergovernmental Grants Department was as follows:

Current assets	$ 5,525,870
Other non-current assets	3,728,385
Property, plant and equipment	45,316
Total assets	9,299,571

Current liabilities	4,296,655
Long-term liabilities	3,728,385
Total liabilities	8,025,040
Net assets	
Investment in capital assets	45,316
Restricted for loans	1,014,922
Unrestricted	214,293
Total net assets	$ 1,274,531

Program revenues	$ 18,486,843
Program expenditures	(18,455,648)
General revenues	48,476
Changes in net assets	79,671
Net assets – beginning of year	1,194,860
Net assets – end of year	$ 1,274,531

Direct expenses for the programs during 2011 were as follows:

Jobs training and employment	$ 5,112,364
Housing and urban development	5,104,463
Weatherization/energy assistance	6,603,776
Community service programs	874,277
Support services	760,768
	$ 18,455,648

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. In November, 2010, certain sales tax revenues were assigned to the Southwestern Illinois Flood Prevention District Council, a consortium of Counties, to fund the repayment of bonds issued for flood prevention. The sales taxes remitted to the Council are reflected as *intergovernmental transfers*. At September 30, 2011 summarized financial data for the St. Clair County Flood Prevention District was as follows:

Current assets	$ 3,611,991
Total assets	3,611,991
Current liabilities	43
Total liabilities	43
Net assets	
Unrestricted	3,611,948
Total net assets	$ 3,611,948

Sales tax	$ 5,347,900
Intergovernmental transfers	3,562,140
Net program revenues	1,785,760
Program expenditures	(10,423)
General revenues	14,567
Changes in net assets	1,789,904
Net assets – beginning of year	1,822,044
Net assets – end of year	$ 3,611,948

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. The County also committed to the construction of a cargo warehouse adjacent to the ramp for approximately $5.7 million as part of a 15 year lease agreement with a new tenant.

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 $690,794 from the Grants Department and $480,274 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, 2011. 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, 2011

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, Transportation Fund, and the Debt Service 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, 2011

Public Employees Retirement System
Schedule of Funding Progress

Non-SLEP County Employees

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/30/2011	$ 3,392,322	100%	$0
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

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)
12/31/2011	$ 78,796,314	$ 97,261,734	$ 18,465,420	81.01%	$ 28,920,053	63.85%
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%

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

ST. CLAIR COUNTY, ILLINOIS
Required Supplementary Information
December 31, 2011

Public Employees Retirement System
Schedule of Funding Progress

SLEP County Employees

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2011	$ 1,768,439	100%	$0
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

SLEP County Employees

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)
12/31/2011	$ 19,340,441	$ 34,773,815	$ 15,433,374	55.62%	$ 8,605,542	179.34%
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%

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

ST. CLAIR COUNTY, ILLINOIS
Required Supplementary Information
December 31, 2011

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
12/31/2011	$ 610,678	100%	$0
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

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)
12/31/2011	$ 4,126,327	$ 9,606,381	$ 5,480,054	42.95%	$ 1,544,847	354.73%
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%

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

ST. CLAIR COUNTY, ILLINOIS
Required Supplementary Information
December 31, 2011

Other Post-Employment Benefits
Schedule of Funding Progress

Actuarial Valuation Date	Annual OPEB Cost (APC)	Percentage of APC Contributed	Net OPEB Obligation
12/30/2010	$ 289,520	100%	$0
12/31/2008	275,087	100%	0
12/31/2006	-	NA	0

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (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	1,190,799	2,173,919	983,120	54.78%	37,947,806	2.59%
12/31/2008	520,113	2,253,318	1,733,205	23.08%	38,230,339	4.53%
12/31/2006	-	1,946,738	1,946,738	0.00%	34,646,924	5.62%

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
General Fund
For the year ended December 31, 2011

	Budgeted Amounts Original	Budgeted Amounts Final	Budgetary Basis Actual	Variance with Final Budget
REVENUES				
Property taxes	$ 12,334,972	$ 12,334,972	$ 7,660,831	$ (4,674,141)
Revenue from federal/state agencies	1,094,925	1,094,925	1,156,007	61,082
Revenue from local government	250,000	250,000	388,287	138,287
Earnings on investments	970,000	970,000	264,512	(705,488)
Licenses, permits, fines, fees			-	
and services	17,270,671	17,270,671	12,373,232	(4,897,439)
State income tax	4,063,157	4,063,157	4,731,444	668,287
Personal property replacement tax	2,850,000	2,850,000	2,287,994	(562,006)
Sales tax	7,745,959	7,745,959	8,767,006	1,021,047
Pari-mutual tax	120,000	120,000	93,016	(26,984)
Miscellaneous revenues	351,590	351,590	136,445	(215,145)
	47,051,274	47,051,274	37,858,774	(9,192,500)
EXPENDITURES				
General government	43,990,069	42,390,547	20,967,163	(21,423,384)
Public safety	12,102,435	13,692,844	13,542,562	(150,282)
Judicial	5,119,126	5,128,239	4,998,818	(129,421)
Public health	64,726	64,726	70,542	5,816
	61,276,356	61,276,356	39,579,085	(21,697,271)
Excess of revenues over (under) expenditures	(14,225,082)	(14,225,082)	(1,720,311)	12,504,771
Other financing sources (uses):				
Operating transfers-in	-	650,000	141,260	(508,740)
Operating transfers-out	(3,730,000)	(3,730,000)	(18,740,516)	(15,010,516)
Total other financing sources (uses)	(3,730,000)	(3,080,000)	(18,599,256)	(15,519,256)
Net changes in fund balances	$ (17,955,082)	$ (17,305,082)	(20,319,567)	$ (3,014,485)
Reconciliation of budgetary basis to government fund statement of changes in fund balance:				
Effect of unrecorded assets			(241,910)	
Effect of market value adjustment on investments			62,207	
Effect of unrecorded liabilities			1,531,651	
Effect of due to/from other funds			18,323,454	
Beginning fund balances			50,872,551	
Ending fund balances			$ 50,228,386	

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, 2011

	Budgeted Amounts		Budgetary Basis	Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	$ 6,470,646	$ 6,470,646	$ 4,625,391	$ (1,845,255)
Motor fuel tax	4,925,000	4,925,000	4,866,442	(58,558)
Earnings on investments	349,550	349,550	170,823	(178,727)
Licenses, permits, fines, fees and services	596,400	596,400	16,934	(579,466)
Revenue from federal/state agencies	260,000	260,000	-	(260,000)
Revenue from local government	786,200	786,200	840,031	53,831
Miscellaneous revenues	110,000	110,000	41,299	(68,701)
	13,497,796	13,497,796	10,560,920	(2,936,876)
EXPENDITURES				
Transportation	23,008,509	23,008,509	13,262,343	(9,746,166)
	23,008,509	23,008,509	13,262,343	(9,746,166)
Excess of revenues over (under) expenditures	(9,510,713)	(9,510,713)	(2,701,423)	6,809,290
Other financing sources (uses):				
Operating transfers-out	(1,870,000)	(1,870,000)	(1,737,771)	132,229
Total other financing sources (uses)	(1,870,000)	(1,870,000)	(1,737,771)	132,229
Net changes in fund balances	$ (11,380,713)	$ (11,380,713)	(4,439,194)	$ 6,941,519
Reconciliation of budgetary basis to government fund statement of changes in fund balance:				
Effect of unrecorded assets			452,779	
Effect of market value adjustment on investments			45,200	
Effect of unrecorded liabilities			425,913	
Effect of due to/from other funds			664	
Beginning fund balances			33,243,492	
Ending fund balances			$ 29,728,854	

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
Lease Payable Fund
For the year ended December 31, 2011

	Budgeted Amounts		Budgetary Basis	Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	$ 10,769,304	$ 10,769,304	$ 8,508,281	$ (2,261,023)
Revenue from local governments	44,156	44,156	26,113	(18,043)
Earnings on investments	108,500	108,500	47,317	$ (61,183)
	10,921,960	10,921,960	8,581,711	(2,340,249)
EXPENDITURES				
General government	12,276,236	12,276,236	9,324,762	(2,951,474)
	12,276,236	12,276,236	9,324,762	(2,951,474)
Net changes in fund balances	$ (1,354,276)	$ (1,354,276)	(743,051)	$ 611,225
Reconciliation of budgetary basis to government fund statement of changes in fund balance:				
Effect of unrecorded assets			500,044	
Effect of market value adjustment on investments			11,500	
Beginning fund balances			9,008,951	
Ending fund balances			$ 8,777,444	

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, 2011

	Budgeted Amounts		Budgetary Basis	Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	$ 4,841,573	$ 4,841,573	$ -	$ (4,841,573)
Earnings on investments	266,400	266,400	113,792	(152,608)
	5,107,973	5,107,973	113,792	(4,994,181)
EXPENDITURES				
Debt service	11,000,000	11,000,000	1,863,125	(9,136,875)
	11,000,000	11,000,000	1,863,125	(9,136,875)
Excess of revenues over (under) expenditures	(5,892,027)	(5,892,027)	(1,749,333)	4,142,694
Other financing sources (uses):				
Operating transfers-in	1,870,000	1,870,000	20,000,041	18,130,041
Total other financing sources (uses)	1,870,000	1,870,000	20,000,041	18,130,041
Net changes in fund balances	$ (4,022,027)	$ (4,022,027)	18,250,708	$ 22,272,735
Reconciliation of budgetary basis to government fund statement of changes in fund balance:				
Effect of unrecorded assets			(6,734)	
Effect of market value adjustment on investments			32,500	
Effect of due to/from other funds			(18,262,270)	
Beginning fund balances			22,520,466	
Ending fund balances			$ 22,534,670	

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

ADDITIONAL ANALYSIS -

COMBINING AND INDIVIDUAL FUND

STATEMENTS AND SCHEDULES

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheet - All General Fund Accounts
December 31, 2011

	General County	General County Escrow	Working Cash	Personal Property Replacement Tax	County Automation	Geographic Information System	Pari-Mutual	Tort Liability
ASSETS								
Cash	$ 1,738,889	$ 5,820	$ -	$ -	$ 33,300	$ -	$ -	$ 257,274
Equity in cash and investment pool	0	9,239,771	1,181,893	22,508,351	-	170,880	224,045	4,278,929
Accounts receivable	2,733,619	-	-	340,969	14,385	-	-	10,538
Taxes receivable	4,267,763	-	-	-	-	-	-	4,050,031
Interest receivable	28,168	9,902	1,177	-	-	142	-	3,534
Due from other funds	656,586	-	-	-	27,219	-	-	16,608
Inventory	189,144	-	-	-	-	-	-	-
Prepaid expenditures	12,500	-	-	-	-	-	-	1,286,009
Total assets	$ 9,626,669	$ 9,255,493	$ 1,183,070	$ 22,849,320	$ 74,904	$ 171,022	$ 224,045	$ 9,902,923
LIABILITIES AND FUND BALANCE								
Liabilities								
Accounts payable	$ 432,761	$ -	$ -	$ -	$ 53,813	$ 130,664	$ 3,806	$ 20,254
Accrued salaries	963,180	-	-	-	3,196	5,826	-	10,576
Due to other funds	5,189	-	-	-	-	-	-	-
Funds held in escrow	-	-	-	-	-	-	-	-
Deferred income	4,347,480	-	-	-	14,385	-	-	3,827,747
Other liabilities	-	-	-	-	-	-	-	1,391,079
Total liabilities	5,748,610	-	-	-	71,394	136,490	3,806	5,249,656
Fund balances								
Nonspendable	201,644	-	-	-	-	-	-	1,286,009
Restricted	-	-	-	-	-	-	-	3,367,258
Committed	-	-	1,183,070	16,133,389	3,510	34,532	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	3,676,415	9,255,493	-	6,715,931	-	-	220,239	-
Total fund balance	3,878,059	9,255,493	1,183,070	22,849,320	3,510	34,532	220,239	4,653,267
Total liabilities and fund balance	$ 9,626,669	$ 9,255,493	$ 1,183,070	$ 22,849,320	$ 74,904	$ 171,022	$ 224,045	$ 9,902,923

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheet - All General Fund Accounts
December 31, 2011

	Capital Replacement	MetroLink Security	Payroll Escrow	Pool	Total General Fund
ASSETS					
Cash	$ -	$ -	$ -	$ 892,771	$ 2,928,054
Equity in cash and investment pool	3,870,278	144,681	589,205	-	42,208,033
Accounts receivable	-	7,185	-	-	3,106,696
Taxes receivable	-	-	-	-	8,317,794
Interest receivable	4,815	-	515	-	48,253
Due from other funds	4,308,565	7,498	(251,088)	-	4,765,388
Inventory	-	-	-	-	189,144
Prepaid expenditures	-	-	-	-	1,298,509
Total assets	$ 8,183,658	$ 159,364	$ 338,632	$ 892,771	$ 62,861,871
LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts payable	$ 103,519	$ -	$ -	$ -	$ 744,817
Accrued salaries	-	88,607	-	-	1,071,385
Due to other funds	-	-	338,632	785	344,606
Funds held in escrow	-	-	-	891,986	891,986
Deferred income	-	-	-	-	8,189,612
Other liabilities	-	-	-	-	1,391,079
Total liabilities	103,519	88,607	338,632	892,771	12,633,485
Fund balances					
Nonspendable	-	-	-	-	1,487,653
Restricted	-	70,757	-	-	3,438,015
Committed	8,080,139	-	-	-	25,434,640
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	19,868,078
Total fund balance	8,080,139	70,757	-	-	50,228,386
Total liabilities and fund balance	$ 8,183,658	$ 159,364	$ 338,632	$ 892,771	$ 62,861,871

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
All General Fund Accounts
For the year ended December 31, 2011

	General County	General County Escrow	Working Cash	Personal Property Replacement Tax	County Automation	Geographic Information System	Pari-Mutual	Tort Liability
REVENUES								
Property taxes	$ 4,122,580	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,991,785
Revenue from federal/state agencies	1,404,545	-	-	-	-	-	-	-
Revenue from local agencies	-	-	-	-	-	155,000	-	185,027
Earnings on investments	150,718	63,622	7,614	31,200	61	1,250	300	25,533
Licenses, permits, fines, fees and services	10,809,436	69,134	-	-	65,015	121,839	-	-
State income tax	3,995,366	-	-	-	-	-	-	-
Personal property replacement tax	-	-	-	2,381,245	-	-	-	-
Sales tax	8,687,490	-	-	-	-	-	-	-
Pari-mutual tax	-	-	-	-	-	-	89,210	-
Miscellaneous revenues	112,566	-	-	-	-	-	-	6,546
	29,282,701	132,756	7,614	2,412,445	65,076	278,089	89,510	4,208,891
EXPENDITURES								
General government	13,833,819	-	-	-	366,136	523,839	-	2,895,078
Public safety	12,129,570	-	-	-	-	-	-	-
Judicial	5,016,509	-	-	-	-	-	-	-
Public Health	71,262	-	-	-	-	-	-	-
	31,051,160	-	-	-	366,136	523,839	-	2,895,078
Excess of revenues over (under) expenditures	(1,768,459)	132,756	7,614	2,412,445	(301,060)	(245,750)	89,510	1,313,813
Other financing sources (uses)								
Operating transfers-in	141,260	-	-	-	-	-	-	-
Operating transfers-out	(2,180,478)	-	-	(388,623)	-	(2,114)	-	(479,674)
Intra fund transfers (net)	(303,646)	(778,341)	-	-	373,320	658,809	-	-
Total other financing sources (uses)	(2,342,864)	(778,341)	-	(388,623)	373,320	656,695	-	(479,674)
Net changes in fund balances	(4,111,323)	(645,585)	7,614	2,023,822	72,260	410,945	89,510	834,139
Beginning fund balances	7,989,382	9,901,078	1,175,456	20,825,498	(68,750)	(376,413)	130,729	3,819,128
Ending fund balances	$ 3,878,059	$ 9,255,493	$ 1,183,070	$ 22,849,320	$ 3,510	$ 34,532	$ 220,239	$ 4,653,267

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
All General Fund Accounts
For the year ended December 31, 2011

	Capital Replacement	MetroLink Security	Payroll Escrow	Pool	Total General Fund
REVENUES					
Property taxes	$ -	$ -	$ -	$ -	$ 8,114,365
Revenue from federal/state agencies	-	-	-	-	1,404,545
Revenue from local agencies	-	-	-	-	340,027
Earnings on investments	27,246	345	-	-	307,889
Licenses, permits, fines, fees and services	-	1,343,536	-	-	12,408,960
State income tax	-	-	-	-	3,995,366
Personal property replacement tax	-	-	-	-	2,381,245
Sales tax	-	-	-	-	8,687,490
Pari-mutual tax	-	-	-	-	89,210
Miscellaneous revenues	-	-	-	-	119,112
	27,246	1,343,881	-	-	37,848,209
EXPENDITURES					
General government	(570,281)	-	-	-	17,048,591
Public safety	-	1,314,787	-	-	13,444,357
Judicial	-	-	-	-	5,016,509
Public Health	-	-	-	-	71,262
	(570,281)	1,314,787	-	-	35,580,719
Excess of revenues over (under) expenditures	597,527	29,094	-	-	2,267,490
Other financing sources (uses)					
Operating transfers-in	-	-	-	-	141,260
Operating transfers-out	(2,026)	-	-	-	(3,052,915)
Intra fund transfers (net)	-	49,858	-	-	-
Total other financing sources (uses)	(2,026)	49,858	-	-	(2,911,655)
Net changes in fund balances	595,501	78,952	-	-	(644,165)
Beginning fund balances	7,484,638	(8,195)	-	-	50,872,551
Ending fund balances	$ 8,080,139	$ 70,757	$ -	$ -	$ 50,228,386

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheet
Transportation Fund Accounts
December 31, 2011

	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	$ 153,373	$ 61,061	$ 83,246	$ -	$ -	$ -	$ -	$ -	$ -	$ 297,680
Equity in cash and investment pool	5,699,943	4,539,309	6,438,066	5,415,614	5,851,234	34,035	904,651	-	340,677	29,223,529
Accounts receivable	523	209	284	242,524	-	922	64,974	-	-	309,436
Taxes receivable	2,619,559	1,044,176	1,424,831	-	-	-	-	-	-	5,088,566
Interest receivable	7,671	4,143	5,370	5,582	7,867	401	1,063	-	-	32,097
Inventory	-	-	-	184,907	-	-	-	-	-	184,907
Due from other funds	266,240	(5,390)	1,634	42,696	-	104,950	(62,548)	-	(230,477)	117,105
Total assets	$ 8,747,309	$ 5,643,508	$ 7,953,431	$ 5,891,323	$ 5,859,101	$ 140,308	$ 908,140	$ -	$ 110,200	$ 35,253,320
LIABILITIES AND FUND BALANCE										
Liabilities										
Accounts payable	$ 44,744	$ 148,471	$ 169,547	$ 1,651	$ 149,673	$ 5,364	$ 78,919	$ -	$ -	$ 598,369
Accrued salaries	-	-	-	-	-	-	-	-	110,200	110,200
Deferred income	2,479,295	988,151	1,348,451	-	-	-	-	-	-	4,815,897
Total liabilities	2,524,039	1,136,622	1,517,998	1,651	149,673	5,364	78,919	-	110,200	5,524,466
Fund balances										
Nonspendable	-	-	-	184,907	-	-	-	-	-	184,907
Restricted	6,223,270	4,506,886	6,435,433	5,704,765	5,709,428	134,944	829,221	-	-	29,543,947
	6,223,270	4,506,886	6,435,433	5,889,672	5,709,428	134,944	829,221	-	-	29,728,854
Total liabilities and fund balance	$ 8,747,309	$ 5,643,508	$ 7,953,431	$ 5,891,323	$ 5,859,101	$ 140,308	$ 908,140	$ -	$ 110,200	$ 35,253,320

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Transportation Fund Accounts
For the year ended December 31, 2011

	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	$ 2,519,863	$ 1,006,838	$ 1,372,373	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,899,074
Motor fuel tax	-	-	-	3,958,287	-	-	915,280	-	-	4,873,567
Licenses, permits, fines, fees and services	16,229	185	520	11,844	-	25,064	-	-	-	53,842
Revenue from local agencies	-	327,461	-	-	-	512,570	-	-	-	840,031
Earnings on investments	48,563	27,721	37,332	35,369	45,761	1,650	6,871	-	-	203,267
Miscellaneous revenue	462	-	3,355	574	-	-	-	-	-	4,391
	2,585,117	1,362,205	1,413,580	4,006,074	45,761	539,284	922,151	-	-	10,874,172
EXPENDITURES										
Transportation	4,571,937	1,046,159	629,614	2,370,209	2,181,689	755,119	1,096,312	-	-	12,651,039
	4,571,937	1,046,159	629,614	2,370,209	2,181,689	755,119	1,096,312	-	-	12,651,039
Excess of revenues over (under) expenditures	(1,986,820)	316,046	783,966	1,635,865	(2,135,928)	(215,835)	(174,161)	-	-	(1,776,867)
Other financing sources (uses)										
Operating transfers-out	(362,771)	-	-	(1,375,000)	-	-	-	-	-	(1,737,771)
Total other financing sources (uses)	(362,771)	-	-	(1,375,000)	-	-	-	-	-	(1,737,771)
Net changes in fund balances	(2,349,591)	316,046	783,966	260,865	(2,135,928)	(215,835)	(174,161)	-	-	(3,514,638)
Beginning fund balances	8,572,861	4,190,840	5,651,467	5,628,807	7,845,356	350,779	1,003,382	-	-	33,243,492
Ending fund balances	$ 6,223,270	$ 4,506,886	$ 6,435,433	$ 5,889,672	$ 5,709,428	$ 134,944	$ 829,221	$ -	$ -	$ 29,728,854

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheets - All Nonmajor Governmental Funds
December 31, 2011

	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	$ 165,173	$ 290,810	$ 96,000	$ 66,530	$ -	$ 820,148	$ -	$ -	$ 19,767	$ -
Equity in cash and investment pool	5,623,627	4,736,815	162,709	1,000,700	1,126,898	1,887,176	45,367	3,943,181	107,848	-
Accounts receivable	14,698	995	61,375	28,750	-	520,748	988	1,301,340	67	-
Taxes receivable	2,734,297	5,029,210	-	-	-	-	-	-	339,196	-
Interest receivable	4,701	3,415	420	-	1,233	2,130	45	3,768	-	-
Inventory	-	-	-	-	-	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	-	-	-	-	-
Due from other funds	3,731	10,058	-	-	-	-	-	-	2,582	-
Total assets	$ 8,546,227	$10,071,303	$ 320,504	$ 1,095,980	$ 1,128,131	$ 3,230,202	$ 46,400	$ 5,248,289	$ 469,460	$ -
LIABILITIES AND FUND BALANCE										
Liabilities										
Accounts payable	$ -	$ -	$ -	$ -	$ 921	$ 25,245	$ -	$ 75	$ 6,448	$ -
Accrued salaries	-	-	-	-	5,648	-	-	3,083	3,284	-
Accrued payroll related costs	121,505	241,951	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	984,991	-	-
Deferred income	2,582,748	4,762,388	61,375	28,750	-	520,748	-	-	321,060	-
Total liabilities	2,704,253	5,004,339	61,375	28,750	6,569	545,993	-	988,149	330,792	-
Fund balances										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	5,841,974	5,066,964	259,129	1,000,000	1,121,562	2,684,209	46,400	4,260,140	138,668	-
Unassigned	-	-	-	67,230	-	-	-	-	-	-
Total fund balance	5,841,974	5,066,964	259,129	1,067,230	1,121,562	2,684,209	46,400	4,260,140	138,668	-
Total liabilities and fund balance	$ 8,546,227	$10,071,303	$ 320,504	$ 1,095,980	$ 1,128,131	$ 3,230,202	$ 46,400	$ 5,248,289	$ 469,460	$ -

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheets - All Nonmajor Governmental Funds
December 31, 2011

	General Grants	County Health	Landfill Surcharge	Mental Health	Civil Defense Emergency	Emergency Telephone System	Pet Population	Court Services Accounts: Court Automation	Court Services Accounts: Court Document Storage	Court Services Accounts: Electronic Citation
ASSETS										
Cash	$ -	$ 36,133	$ -	$ 136,581	$ -	$ 500	$ -	$ 13,601	$ 39,169	$ 8,811
Equity in cash and investment pool	-	2,171,402	10,293,574	1,549,062	386,458	3,080,746	224,270	206,423	406,403	100,501
Accounts receivable	272,197	1,589,995	273,680	486	-	320,681	-	-	-	-
Taxes receivable	-	598,845	-	2,357,088	-	-	-	-	-	-
Interest receivable	83	2,180	12,039	1,450	385	3,214	186	137	210	23
Inventory	-	36,091	-	-	-	-	-	-	-	-
Prepaid expenditures	-	20,063	-	-	-	-	-	-	-	-
Due from other funds	1,460	48,511	19,260	12,017	-	11,262	-	42,156	34,520	-
Total assets	$ 273,740	$ 4,503,220	$ 10,598,553	$ 4,056,684	$ 386,843	$ 3,416,403	$ 224,456	$ 262,317	$ 480,302	$ 109,335
LIABILITIES AND FUND BALANCE										
Liabilities										
Accounts payable	$ 186,685	$ 270,562	$ 15,236	$ 161,050	$ -	$ 54,410	$ 1,885	$ -	$ 3,131	$ -
Accrued salaries	7,405	90,503	88,197	6,964	-	19,379	-	8,466	12,158	-
Accrued payroll related costs	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	1,159	4,898	7,703	-	-	-	-	-	-
Deferred income	79,650	700,359	-	2,233,149	-	-	-	-	-	-
Total liabilities	273,740	1,062,583	108,331	2,408,866	-	73,789	1,885	8,466	15,289	-
Fund balances									-	-
Nonspendable	-	36,091	-	-	-	-	-	-	-	-
Restricted	-	3,404,546	10,490,222	1,647,818	386,843	3,342,614	222,571	253,851	465,013	109,335
Unassigned	-	-	-	-	-	-	-	-	-	-
Total fund balance	-	3,440,637	10,490,222	1,647,818	386,843	3,342,614	222,571	253,851	465,013	109,335
Total liabilities and fund balance	$ 273,740	$ 4,503,220	$ 10,598,553	$ 4,056,684	$ 386,843	$ 3,416,403	$ 224,456	$ 262,317	$ 480,302	$ 109,335

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheets - All Nonmajor Governmental Funds
December 31, 2011

	Court Services Accounts (continued)									
	Circuit Clerk Title IV-D BSCE	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
ASSETS										
Cash	$ -	$ -	$ -	$ -	$ 46,891	$ 108,472	$ -	$ 3,733	$ -	$ -
Equity in cash and investment pool	49,032	1,878,579	2,917	205,143	416,469	3,265,467	-	52,690	32,214	13,026
Accounts receivable	22,453	-	-	-	-	22,453	163,047	13	-	-
Taxes receivable	-	-	-	-	-	-	-	64,070	-	-
Interest receivable	-	1,818	15	209	761	3,173	-	45	43	12
Inventory	-	-	-	-	-	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	252	-	1,364	21,790	100,082	-	-	-	-
Total assets	$ 71,485	$ 1,880,649	$ 2,932	$ 206,716	$ 485,911	$ 3,499,647	$ 163,047	$ 120,551	$ 32,257	$ 13,038
LIABILITIES AND FUND BALANCE										
Liabilities										
Accounts payable	$ -	$ 239	$ -	$ 7,059	$ 680	$ 11,109	$ 101	$ 5,000	$ -	$ -
Accrued salaries	4,399	1,073	-	1,548	38,537	66,181	14,111	-	-	-
Accrued payroll related costs	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	93,123	-	-	-
Deferred income	-	-	-	-	-	-	-	60,645	-	-
Total liabilities	4,399	1,312	-	8,607	39,217	77,290	107,335	65,645	-	-
Fund balances										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	67,086	1,879,337	2,932	198,109	446,694	3,422,357	55,712	54,906	32,257	13,038
Unassigned	-	-	-	-	-	-	-	-	-	-
Total fund balance	67,086	1,879,337	2,932	198,109	446,694	3,422,357	55,712	54,906	32,257	13,038
Total liabilities and fund balance	$ 71,485	$ 1,880,649	$ 2,932	$ 206,716	$ 485,911	$ 3,499,647	$ 163,047	$ 120,551	$ 32,257	$ 13,038

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheets - All Nonmajor Governmental Funds
December 31, 2011

	Probation Services	Mental Health Court	Detention Home	Coroner's Fund	County Drug Traffic Prevention	Sheriff's DUI Fund	Sheriff's Asset Forfeiture	Commissary Fund	Jail Medical
ASSETS									
Cash	$ 22,638	$ 1,708	$ 25,918	$ -	$ 616	$ 1,718	$ -	$ -	$ 1,330
Equity in cash and investment pool	1,236,290	16,881	397,639	16,951	93,441	9,125	345,556	62,245	4,991
Accounts receivable	37,316	-	10,074	-	-	-	5,018	4,810	-
Taxes receivable	-	-	451,860	-	-	-	-	-	-
Interest receivable	1,270	33	370	7	173	37	235	-	3
Inventory	-	-	-	-	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	-	-	-	-
Due from other funds	31,824	-	30,383	-	-	-	-	1,176	-
Total assets	$ 1,329,338	$ 18,622	$ 916,244	$ 16,958	$ 94,230	$ 10,880	$ 350,809	$ 68,231	$ 6,324
LIABILITIES AND FUND BALANCE									
Liabilities									
Accounts payable	$ 10,525	$ 29	$ 641	$ -	$ -	$ 1,585	$ 5,665	$ 30,239	$ -
Accrued salaries	21,453	385	43,495	-	5,927	-	675	-	-
Accrued payroll related costs	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	31,825	-	-	-	-	61,730	-
Deferred income	-	-	428,080	-	13,000	-	-	-	-
Total liabilities	31,978	414	504,041	-	18,927	1,585	6,340	91,969	-
Fund balances									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	1,297,360	18,208	412,203	16,958	75,303	9,295	344,469	-	6,324
Unassigned	-	-	-	-	-	-	-	(23,738)	-
Total fund balance	1,297,360	18,208	412,203	16,958	75,303	9,295	344,469	(23,738)	6,324
Total liabilities and fund balance	$ 1,329,338	$ 18,622	$ 916,244	$ 16,958	$ 94,230	$ 10,880	$ 350,809	$ 68,231	$ 6,324

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheets - All Nonmajor Governmental Funds
December 31, 2011

	Law Enforcement and Prosecution Grants						
	Victim Witness Grant	Domestic Violence Advocate Grant	Project Renee Grant	Auto Task Force Grant	DUI/Alcohol Traffic Safety Grant	Total Law Enforcement & Prosecution Grants	Total All Nonmajor Governmental Funds
ASSETS							
Cash	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,797,775
Equity in cash and investment pool	-	4,309	-	-	28,697	33,006	41,919,355
Accounts receivable	-	11,141	244,482	-	32,519	288,142	4,916,873
Taxes receivable	-	-	-	-	-	-	11,574,566
Interest receivable	-	15	-	-	28	43	40,693
Inventory	-	-	-	-	-	-	36,091
Prepaid expenditures	-	-	-	-	-	-	20,063
Due from other funds	7,703	-	-	3,730	-	11,433	283,779
Total assets	$ 7,703	$ 15,465	$ 244,482	$ 3,730	$ 61,244	$ 332,624	$ 60,589,195
LIABILITIES AND FUND BALANCE							
Liabilities							
Accounts payable	$ -	$ -	$ 416	$ -	$ -	$ 416	$ 787,827
Accrued salaries	1,736	1,290	10,588	3,730	2,081	19,425	396,115
Accrued payroll related costs	-	-	-	-	-	-	363,456
Due to other funds	5,967	-	233,478	-	59,125	298,570	1,483,999
Deferred income	-	-	-	-	38	38	11,791,990
Total liabilities	7,703	1,290	244,482	3,730	61,244	318,449	14,823,387
Fund balances							
Nonspendable	-	-	-	-	-	-	36,091
Restricted	-	14,175	-	-	-	14,175	45,686,225
Unassigned	-	-	-	-	-	-	43,492
Total fund balance	-	14,175	-	-	-	14,175	45,765,808
Total liabilities and fund balance	$ 7,703	$ 15,465	$ 244,482	$ 3,730	$ 61,244	$ 332,624	$ 60,589,195

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
All Nonmajor Governmental Funds
For the year ended December 31, 2011

	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	$ 2,721,629	$ 4,791,757	$ -	$ -	$ -	$ -	$ -	$ -	$ 325,695	$ -
Hotel/motel tax	-	-	-	-	-	-	13,736	-	-	-
Licenses, permits, fines, fees and services	-	-	102,000	66,530	200,909	-	-	3,591	-	-
Revenue from federal/state agencies	-	-	-	-	-	-	-	1,135,145	-	7,299
Revenue from local agencies	-	-	-	-	-	712,735	-	1,090,990	-	-
Earnings on investments	32,632	26,565	2,763	1,400	7,684	13,285	234	23,704	219	-
Miscellaneous revenues	-	-	-	-	-	-	-	-	-	-
	2,754,261	4,818,322	104,763	67,930	208,593	726,020	13,970	2,253,430	325,914	7,299
EXPENDITURES										
General government	2,153,550	4,459,356	534,929	-	311,690	103,659	10,000	1,468,827	280,407	7,299
Public safety	-	-	-	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	-	-	-
	2,153,550	4,459,356	534,929	-	311,690	103,659	10,000	1,468,827	280,407	7,299
Excess of revenues over (under) expenditures	600,711	358,966	(430,166)	67,930	(103,097)	622,361	3,970	784,603	45,507	-
Other financing sources (uses)										
Operating transfers-in	-	388,623	-	-	-	-	-	-	-	8
Operating transfers-out	(65,102)	(102,570)	-	(141,260)	-	-	-	-	-	-
Total other financing sources (uses)	(65,102)	286,053	-	(141,260)	-	-	-	-	-	8
Net changes in fund balances	535,609	645,019	(430,166)	(73,330)	(103,097)	622,361	3,970	784,603	45,507	8
Beginning fund balances	5,306,365	4,421,945	689,295	1,140,560	1,224,659	2,061,848	42,430	3,475,537	93,161	(8)
Ending fund balances	$ 5,841,974	$ 5,066,964	$ 259,129	$ 1,067,230	$ 1,121,562	$ 2,684,209	$ 46,400	$ 4,260,140	$ 138,668	$ -

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
All Nonmajor Governmental Funds
For the year ended December 31, 2011

								Court Services Accounts		
	General Grants	County Health	Landfill Surcharge	Mental Health	Civil Defense Emergency	Emergency Telephone System	Pet Population	Court Automation	Court Document Storage	Electronic Citation
REVENUES										
Property taxes	$ -	$ 568,171	$ -	$ 2,228,198	$ -	$ -	$ -	$ -	$ -	$ -
Hotel/motel tax	-	-	-	-	-	-	-	-	-	-
Licenses, permits, fines, fees and services	-	430,976	1,128,685	24	-	2,155,161	49,853	402,457	738,399	109,081
Revenue from federal/state agencies	1,162,074	4,455,375	-	27,223	-	10,972	-	-	-	-
Revenue from local agencies	28,135	297,844	-	-	-	-	-	-	-	-
Earnings on investments	697	14,638	71,304	9,577	2,534	19,666	1,309	1,435	1,900	254
Miscellaneous revenues	-	-	-	-	-	-	-	-	-	-
	1,190,906	5,767,004	1,199,989	2,265,022	2,534	2,185,799	51,162	403,892	740,299	109,335
EXPENDITURES										
General government	195,726	-	-	-	-	-	-	-	-	-
Public safety	607,888	-	1,505,005	-	-	1,990,644	14,005	-	-	-
Public health	309,646	5,665,751	967,974	2,362,802	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	317,566	456,159	-
	1,113,260	5,665,751	2,472,979	2,362,802	-	1,990,644	14,005	317,566	456,159	-
Excess of revenues over (under) expenditures	77,646	101,253	(1,272,990)	(97,780)	2,534	195,155	37,157	86,326	284,140	109,335
Other financing sources (uses)										
Operating transfers-in	51,088	-	-	-	-	-	-	-	-	-
Operating transfers-out	-	-	-	(35,048)	-	-	-	-	-	-
Total other financing sources (uses)	51,088	-	-	(35,048)	-	-	-	-	-	-
Net changes in fund balances	128,734	101,253	(1,272,990)	(132,828)	2,534	195,155	37,157	86,326	284,140	109,335
Beginning fund balances	(128,734)	3,339,384	11,763,212	1,780,646	384,309	3,147,459	185,414	167,525	180,873	-
Ending fund balances	$ -	$ 3,440,637	$ 10,490,222	$ 1,647,818	$ 386,843	$ 3,342,614	$ 222,571	$ 253,851	$ 465,013	$ 109,335

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
All Nonmajor Governmental Funds
For the year ended December 31, 2011

	Court Services Accounts (continued)									
	Circuit Clerk Title IV-D BSCE	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
REVENUES										
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 61,514	$ -	$ -
Hotel/motel tax	-	-	-	-	-	-	-	-	-	-
Licenses, permits, fines, fees and services	-	97,477	70,329	183,977	977,021	2,578,741	-	-	7,802	-
Revenue from federal/state agencies	115,568	-	-	-	-	115,568	627,753	-	-	-
Revenue from local agencies	-	-	-	-	-	-	-	-	-	-
Earnings on investments	88	11,873	84	1,472	4,532	21,638	-	226	199	61
Miscellaneous revenues	-	-	-	-	-	-	-	-	-	-
	115,656	109,350	70,413	185,449	981,553	2,715,947	627,753	61,740	8,001	61
EXPENDITURES										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	1,320,407	1,320,407	-	-	-	-
Public health	-	-	-	-	-	-	-	-	-	-
Judicial	143,582	54,643	69,851	198,768	-	1,240,569	606,631	60,000	18,000	(1,796)
	143,582	54,643	69,851	198,768	1,320,407	2,560,976	606,631	60,000	18,000	(1,796)
Excess of revenues over (under) expenditures	(27,926)	54,707	562	(13,319)	(338,854)	154,971	21,122	1,740	(9,999)	1,857
Other financing sources (uses)										
Operating transfers-in	28,014	-	-	-	-	28,014	993	-	-	-
Operating transfers-out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	28,014	-	-	-	-	28,014	993	-	-	-
Net changes in fund balances	88	54,707	562	(13,319)	(338,854)	182,985	22,115	1,740	(9,999)	1,857
Beginning fund balances	66,998	1,824,630	2,370	211,428	785,548	3,239,372	33,597	53,166	42,256	11,181
Ending fund balances	$ 67,086	$ 1,879,337	$ 2,932	$ 198,109	$ 446,694	$ 3,422,357	$ 55,712	$ 54,906	$ 32,257	$ 13,038

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
All Nonmajor Governmental Funds
For the year ended December 31, 2011

	Probation Services	Mental Health Court	Detention Home	Coroner's Fund	County Drug Traffic Prevention	Sheriff's DUI Fund	Sheriff's Asset Forfeiture	Commissary fund	Jail Medical
REVENUES									
Property taxes	$ -	$ -	$ 427,049	$ -	$ -	$ -	$ -	$ -	$ -
Hotel/motel tax	-	-	-	-	-	-	-	-	-
Licenses, permits, fines, fees and services	586,767	20,652	-	31,925	-	17,593	259,268	456,236	15,194
Revenue from federal/state agencies	141,510	-	937,006	-	125,298	-	-	-	-
Revenue from local agencies	263,699	-	26,677	-	-	-	22,220	-	-
Earnings on investments	8,300	103	1,926	52	1,024	80	1,596	7	21
Miscellaneous revenues	-	-	248	-	-	-	-	-	-
	1,000,276	20,755	1,392,906	31,977	126,322	17,673	283,084	456,243	15,215
EXPENDITURES									
General government	-	-	-	-	-	-	-	-	-
Public safety	875,243	-	1,539,522	23,757	210,026	25,259	147,193	431,536	9,383
Public health	-	-	-	-	-	-	-	-	-
Judicial	-	27,255	-	-	-	-	-	-	-
	875,243	27,255	1,539,522	23,757	210,026	25,259	147,193	431,536	9,383
Excess of revenues over (under) expenditures	125,033	(6,500)	(146,616)	8,220	(83,704)	(7,586)	135,891	24,707	5,832
Other financing sources (uses)									
Operating transfers-in	-	-	-	-	-	-	-	-	-
Operating transfers-out	(56,146)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(56,146)	-	-	-	-	-	-	-	-
Net changes in fund balances	68,887	(6,500)	(146,616)	8,220	(83,704)	(7,586)	135,891	24,707	5,832
Beginning fund balances	1,228,473	24,708	558,819	8,738	159,007	16,881	208,578	(48,445)	492
Ending fund balances	$ 1,297,360	$ 18,208	$ 412,203	$ 16,958	$ 75,303	$ 9,295	$ 344,469	$ (23,738)	$ 6,324

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
All Nonmajor Governmental Funds
For the year ended December 31, 2011

	Law Enforcement and Prosecution Grants								
	Victim Witness Grant	Domestic Violence Advocate Grant	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	$ -	$ -	$ -	$ -	$ -	$ -	$ 11,124,013	$ 10,338,754	$ 14,443,977
Hotel/motel tax	-	-	-	-	-	-	13,736	13,830	15,000
Licenses, permits, fines,							-		
fees and services	-	-	-	-	-	-	8,111,907	8,373,975	8,481,325
Revenue from federal/state agencies	26,125	39,200	462,561	76,596	131,404	735,886	9,481,109	8,403,650	9,368,384
Revenue from local agencies	-	-	12,865	-	-	12,865	2,455,165	2,133,409	2,897,735
Earnings on investments	15	89	-	-	167	271	263,715	216,717	493,145
Miscellaneous revenues	-	-	4	-	-	4	252	8,317	100
	26,140	39,289	475,430	76,596	131,571	749,026	31,449,897	29,488,652	35,699,666
EXPENDITURES									
General government	-	-	-	-	-	-	9,525,443	8,901,984	19,327,383
Public safety	-	-	357,782	98,999	130,313	587,094	9,286,962	7,959,308	13,536,481
Public health	-	-	-	-	-	-	9,306,173	11,140,771	13,713,231
Judicial	45,095	50,922	165,665	-	-	261,682	2,212,341	2,028,765	4,604,547
	45,095	50,922	523,447	98,999	130,313	848,776	30,330,919	30,030,828	51,181,642
Excess of revenues over (under) expenditures	(18,955)	(11,633)	(48,017)	(22,403)	1,258	(99,750)	1,118,978	(542,176)	(15,481,976)
Other financing sources (uses)									
Operating transfers-in	17,120	11,502	82,962	37,459	-	149,043	617,769	561,737	240,371
Operating transfers-out	-	-	-	-	-	-	(400,126)	(224,751)	-
Total other financing sources (uses)	17,120	11,502	82,962	37,459	-	149,043	217,643	336,986	240,371
Net changes in fund balances	(1,835)	(131)	34,945	15,056	1,258	49,293	1,336,621	$ (205,190)	$ (15,241,605)
Beginning fund balances	1,835	14,306	(34,945)	(15,056)	(1,258)	(35,118)	44,429,187		
Ending fund balances	$ -	$ 14,175	$ -	$ -	$ -	$ 14,175	$ 45,765,808		

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheet
Internal Service Funds
December 31, 2011

	Employees' Medical Trust Fund	Unemployment Trust	Total
ASSETS			
Cash	$ 25	$ -	$ 25
Equity in cash and investment pool	3,429,835	608,389	4,038,224
Accounts receivable	271,325	-	271,325
Interest receivable	4,526	890	5,416
Due from other funds	1,151	-	1,151
Total assets	3,706,862	609,279	4,316,141
LIABILITIES			
Accounts payable	18,734	-	18,734
Accrued salaries	6,675	-	6,675
Accrued payroll related costs	-	63,148	63,148
Due to other funds	-	-	-
Other liabilities	1,107,768	-	1,107,768
Deferred income	121,064	-	121,064
Total liabilities	1,254,241	63,148	1,317,389
NET ASSETS	$ 2,452,621	$ 546,131	$ 2,998,752

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Internal Service Funds
For the year ended December 31, 2011

	Employees' Medical Trust Fund	Unemployment Trust	Total
Revenues			
Insurance premiums	$ 10,066,760	$ -	$ 10,066,760
Total revenue	10,066,760	-	10,066,760
Expenses			
Insurance claims and premiums	9,387,019	270,751	9,657,770
Post employment benefit contribution	225,705	-	225,705
Other	537,933	20	537,953
Total expenses	10,150,657	270,771	10,421,428
Operating income (loss)	(83,897)	(270,771)	(354,668)
Other income			
Investment income	24,026	4,792	28,818
Miscellaneous	1,270	-	1,270
	25,296	4,792	30,088
Net income (loss)	(58,601)	(265,979)	(324,580)
Net assets - beginning of year	2,511,222	812,110	3,323,332
Net assets - end of year	$ 2,452,621	$ 546,131	$ 2,998,752

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Cash Flows
Internal Service Funds
For the year ended December 31, 2011

	Employees' Medical Trust Fund	Unemployment Trust	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments from customers	$ 1,595,639	$ -	$ 1,595,639
Payments from interfund services provided	8,497,607		8,497,607
Payments to vendors	(10,254,707)	(235,367)	(10,490,074)
Payments to employees	(175,421)	-	(175,421)
Net cash provided (used) by operating activities	(336,882)	(235,367)	(572,249)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment interest	29,255	5,704	34,959
Redemption (purchases) of investments, net	307,627	229,663	537,290
Net cash provided (used) by investing activities	336,882	235,367	572,249
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
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	$ (82,627)	$ (270,771)	$ (353,398)
Adjustments to reconcile			
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(15,139)	-	(15,139)
(Increase) decrease in due to other funds	5,819	-	5,819
Increase (decrease) in accounts payable	18,734		18,734
Increase (decrease) in accrued wages and related costs	1,001	35,404	36,405
Increase (decrease) in other liabilities	(297,595)	-	(297,595)
Increase (decrease) in due to other funds	(11,695)	-	(11,695)
Increase (decrease) in deferred income	44,620	-	44,620
Net cash provided (used) by operating activities	$ (336,882)	$ (235,367)	$ (572,249)
SCHEDULE OF NON-CASH FINANCING AND INVESTING ACTIVITIES			
Increase in market value of investments	$ 2,400	$ 400	$ 2,800

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheet
Fiduciary Funds - Agency Funds
December 31, 2011

	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	$ 20,028,476	$ 556,627	$ 228,694	$ 2,016,066	$ -	$ 174,714	$ -	$ -	$ 13,031
Investments	-	-	-	1,354,300	-	-	-	-	-
Equity in cash and investment pool	2,440,114	-	-	-	76,582	-	9,248	-	1,443,184
Accounts receivable	-	-	-	-	-	-	-	-	-
Interest receivable	2,786	-	-	-	-	-	-	-	2,478
Total assets	$ 22,471,376	$ 556,627	$ 228,694	$ 3,370,366	$ 76,582	$ 174,714	$ 9,248	$ -	$ 1,458,693
LIABILITIES									
Due to taxing districts	$ 19,528,453	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Held pending protested tax settlement	2,436,063	-	-	-	-	-	-	-	-
Funds held in escrow	506,860	556,627	228,694	3,370,366	76,582	174,714	9,248	-	1,458,693
Total liabilities	$ 22,471,376	$ 556,627	$ 228,694	$ 3,370,366	$ 76,582	$ 174,714	$ 9,248	$ -	$ 1,458,693

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheet
Fiduciary Funds - Agency Funds
December 31, 2011

	Estates of Deceased Persons	County Escheat	Township Pauper Relief	Flood Prevention District	Total
ASSETS					
Cash	$ -	$ -	$ -	$ -	$ 23,017,608
Investments	-	-	-	-	1,354,300
Equity in cash and investment pool	55,887	8,039	-	3,140,926	7,173,980
Accounts receivable	-	-	-	184,555	184,555
Interest receivable	59	8	-	2,305	7,636
Total assets	$ 55,946	$ 8,047	$ -	$ 3,327,786	$ 31,738,079
LIABILITIES					
Due to taxing districts	$ -	$ -	$ -	$ -	$ 19,528,453
Held pending protested tax settlement	-	-	-	-	2,436,063
Funds held in escrow	55,946	8,047	-	3,327,786	9,773,563
Total liabilities	$ 55,946	$ 8,047	$ -	$ 3,327,786	$ 31,738,079

STATISTICAL SECTION

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

	2011	2010	2009	2008	2007	2006*	2005*	2004*
Governmental activities								
General government	$ 15,549	$ 21,451	$ 16,133	$ 15,976	$ 15,607	$ 16,811	$ 15,464	$ 16,609
Public safety	33,649	33,139	32,692	31,560	30,493	31,353	27,437	25,578
Judicial	12,408	11,697	11,446	10,720	10,930	9,553	10,096	9,968
Transportation	10,449	10,805	7,101	8,677	9,836	9,265	8,412	9,339
Public health	11,922	14,034	12,066	12,047	9,693	9,281	8,637	8,865
Interest on long-term debt	645	802	823	839	874	896	912	1,032
	84,622	91,928	80,261	79,819	77,433	77,159	70,958	71,391
Business-type activities								
Airport operations	15,767	18,797	19,176	20,717	19,196	18,294	17,134	15,257
	$ 100,389	$ 110,725	$ 99,437	$ 100,536	$ 96,629	$ 95,453	$ 88,092	$ 86,648

*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)

	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities								
Property taxes	$ 33,149	$ 33,601	$ 33,245	$ 32,072	$ 31,787	$ 27,845	$ 26,130	$ 24,884
Sales taxes	8,803	8,594	7,303	7,760	8,109	7,905	7,526	7,246
State income tax	4,286	4,380	4,983	6,034	5,961	5,493	5,042	4,373
Personal property replacement tax	2,381	2,543	2,422	2,748	2,968	2,439	2,616	1,661
Hotel/motel tax	14	14	15	15	16	16	16	15
Pari-mutuel tax	89	114	124	137	144	139	100	174
Charges for goods and services	24,536	25,342	25,461	25,246	27,144	25,024	23,404	23,396
Operating grants and contributions	12,591	13,686	14,263	16,744	10,932	10,759	12,757	10,475
Motor fuel tax	4,874	5,056	4,791	4,643	4,959	5,033	5,055	4,947
Capital grants and contributions	2,372	3,430	229	2,656	163	4,071	1,703	1,691
Earnings on investments	997	1,924	2,284	6,397	9,614	8,519	4,659	3,148
Miscellaneous	120	30	(18)	4	71	74	212	177
	94,212	98,714	95,102	104,456	101,868	97,317	89,220	82,187
Business-type activities								
Charges for goods and services	3,704	3,166	2,139	5,164	4,909	5,031	3,573	2,021
Operating grants and contributions	-	3,043	2,954	421	552	70	10	281
Capital grants and contributions	655	388	747	389	282	336	4,216	6,274
Earnings on investments	140	157	220	1,991	2,816	1,999	1,188	789
Miscellaneous	(17)	-	16	(630)	(63)	(47)	-	-
	4,482	6,754	6,076	7,335	8,496	7,389	8,987	9,365
	$ 98,694	$ 105,468	$ 101,178	$ 111,791	$ 110,364	$ 104,706	$ 98,207	$ 91,552

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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General government	$ 39,193,909	$ 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
Transportation	13,262,343	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
Public health	11,211,313	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
Public safety	21,501,870	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
Judicial	7,027,583	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
Debt service	1,863,125	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
	$ 94,060,143	$ 91,369,694	$ 93,676,096	$ 94,681,675	$ 89,636,120	$ 81,585,488	$ 79,113,172	$ 75,221,206	$ 71,403,261	$ 73,373,664

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)

	2011	2010	2009	2008	2007	2006	2005	2004	2003**	2002**
Property taxes	$ 31,133,257	$ 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
Sales tax	8,767,006	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
State income tax	4,731,444	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
Personal property replacement tax	2,287,994	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
Hotel/motel tax	13,830	14,338	14,884	15,086	16,262	15,776	17,291	13,538	14,679	12,803
Pari-mutuel tax	93,016	116,035	123,077	135,155	144,130	141,545	150,217	171,226	164,678	151,266
Motor fuel tax	4,866,442	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
Revenue from federal/ state agencies	9,559,657	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
Revenue from local government	3,387,840	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
Licenses, permits, fines, fees, and services	20,764,141	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
Earnings on investments	813,161	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
Miscellaneous revenues	186,061	921,966	63,629	310,976	879,302	328,300	390,759	216,892	521,627	322,666
	$ 86,603,849	$ 94,083,140	$ 95,719,062	$ 96,797,166	$ 98,569,517	$ 93,652,758	$ 88,810,233	$ 79,840,054	$ 75,330,810	$ 69,830,198

*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)

	2011	2010	2009*	2008*	2007*	2006*	2005*	2004*
Governmental activities								
Invested in capital assets, net of related debt	$ 114,976,772	$ 107,296,887	$ 102,997,984	$ 93,217,282	$ 77,608,921	$ 66,741,398	$ 58,997,031	$ 68,547,045
Restricted	90,708,155	91,241,360	92,900,209	90,614,090	87,635,649	84,467,270	66,746,215	59,624,931
Unrestricted	68,976,893	69,767,384	69,619,435	73,764,953	76,727,911	72,902,512	84,132,930	68,868,619
Total governmental activities net assets	$ 274,661,820	$ 268,305,631	$ 265,517,628	$ 257,596,325	$ 241,972,481	$ 224,111,180	$ 209,876,176	$ 197,040,595
Business-type activities								
Invested in capital assets, net of related debt	$ 102,161,775	$ 107,043,726	$ 110,589,303	$ 97,855,349	$ 95,242,618	$ 118,993,869	$ 120,475,916	$ 119,797,619
Restricted	-	-	-	11,604,605	17,954,870	-	1,830,880	5,230,335
Unrestricted	(14,978,687)	(11,809,561)	(7,311,746)	-	-	(1,670,361)	-	-
Total business-type activities net assets	$ 87,183,088	$ 95,234,165	$ 103,277,557	$ 109,459,954	$ 113,197,488	$ 117,323,508	$ 122,306,796	$ 125,027,954
Primary government								
Invested in capital assets, net of related debt	$ 217,138,547	$ 214,340,613	$ 213,587,287	$ 191,072,631	$ 172,851,539	$ 185,735,267	$ 179,472,947	$ 188,344,664
Restricted	90,708,155	91,241,360	92,900,209	102,218,695	105,590,519	84,467,270	68,577,095	64,855,266
Unrestricted	53,998,206	57,957,823	62,307,689	73,764,953	76,727,911	71,232,151	84,132,930	68,868,619
Total primary government net assets	$ 361,844,908	$ 363,539,796	$ 368,795,185	$ 367,056,279	$ 355,169,969	$ 341,434,688	$ 332,182,972	$ 322,068,549

*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	2011 / 2010	2010 / 2009	2009 / 2008	2008 / 2007	2007 / 2006	2006 / 2005	2005 / 2004	2004 / 2003	2003 / 2002	2002 / 2001
Real property										
Estimated actual value	$ 13,775,583	$ 14,171,085	$ 14,082,051	$ 13,208,217	$ 11,933,253	$ 10,870,998	$ 10,016,868	$ 9,125,202	$ 8,471,436	$ 7,902,498
Locally assessed values	$ 4,591,861	$ 4,723,695	$ 4,694,017	$ 4,402,739	$ 3,977,751	$ 3,623,666	$ 3,338,956	$ 3,041,734	$ 2,823,812	$ 2,634,166
Equalized assessed values without railroads & TIFs	$ 4,148,996	$ 4,219,235	$ 4,158,036	$ 3,929,800	$ 3,584,928	$ 3,283,062	$ 3,024,878	$ 2,731,285	$ 2,542,003	$ 2,386,224
Less:										
"1790" homestead exemption	(375,753)	(397,721)	(359,461)	(321,333)	(317,580)	(314,218)	(312,483)	(215,820)	(211,118)	(205,780)
Senior citizen homestead exemption	(69,346)	(71,693)	(69,912)	(60,552)	(59,157)	(50,351)	(49,401)	(33,908)	(33,367)	(32,558)
P.A. 83-533	(164)	(161)	(188)	(181)	(183)	(190)	(178)	(201)	(238)	(229)
Senior citizen tax freeze	(68,596)	(83,110)	(80,747)	(71,494)	(63,853)	(56,325)	(53,452)	(37,727)	(32,239)	(23,896)
Veteran's exemption/freeze	(3,393)	(4,406)	(3,085)	(1,187)	(744)	(531)	(461)	(409)	(453)	(438)
Other exemptions	(3,208)	(3,599)	(2,163)	(814)	(461)	(609)	-	-	-	-
Home improvement exemption	(372)	(470)	(569)	(731)	(636)	(672)	(750)	(891)	(1,017)	(1,168)
Billing value before railroad	3,628,164	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
Railroad equalized value	36,697	32,502	27,816	27,231	25,251	24,703	25,178	24,587	23,879	20,395
Total equalized real property used for taxes	$ 3,664,861	$ 3,690,577	$ 3,669,727	$ 3,500,739	$ 3,167,565	$ 2,884,869	$ 2,633,331	$ 2,466,916	$ 2,287,450	$ 2,142,550
TIF/Enterprise zone values	$ 442,866	$ 504,469	$ 535,980	$ 469,538	$ 390,668	$ 339,037	$ 311,095	$ 302,833	$ 276,871	$ (240,761)
Ratio of equalized asessed 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	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Tax year	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Fund	0.1139	0.1166	0.1229	0.1317	0.1456	0.1529	0.1599	0.1602	0.1618	0.1627
Tort Fund	0.1103	0.1104	0.1112	0.1143	0.1263	0.1282	0.0207	0.1476	0.0989	0.0307
	0.2242	0.2270	0.2341	0.2460	0.2719	0.2811	0.1806	0.3078	0.2607	0.1934
Special revenues funds	0.6916	0.6898	0.6820	0.6660	0.7371	0.6904	0.8103	0.7042	0.6832	0.7554
Debt service fund	-	-	-	-	-	-	-	-	-	-
	0.9158	0.9168	0.9161	0.9120	1.0090	0.9715	0.9909	1.0120	0.9439	0.9488

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

Fiscal year extended & collected Tax year	2011 2010	2010 2009	2009 2008	2008 2007	2007 2006	2006 2005	2005 2004	2004 2003	2003 2002	2002 2001
Original extension	$ 33,562,790	$ 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
Billing adjustments	(191,947)	(282,658)	(258,721)	(179,444)	(192,830)	(150,808)	(126,772)	(88,376)	(96,974)	(78,976)
Final Extension	33,370,843	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
Collections	33,027,629	33,445,423	33,226,527	31,613,647	31,667,482	27,777,712	25,900,810	24,746,367	21,409,915	20,201,790
Taken by County Trustee	$ 343,214	$ 176,420	$ 133,626	$ 134,348	$ 100,931	$ 98,458	$ 65,913	$ 130,508	$ 79,144	$ 54,110
Percent collected	98.97%	99.48%	99.60%	99.58%	99.68%	99.65%	99.75%	99.48%	99.63%	99.73%
Back taxes collected*	$ 48,701	$ (199,409)	$ (148,940)	$ 355,575	$ 14,741	$ 922	$ 95,217	$ 96,561	$ 41,571	$ 36,956

*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

CERTIFIED PUBLIC ACCOUNTANTS
J.W.BOYLE & CO., LTD.
ESTABLISHED 1924

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, 2011, and have issued our report thereon dated August 15, 2012. 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

Management of St. Clair County, Illinois, is responsible for establishing and maintaining effective 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 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 the 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.

COPPER BEND CENTRE
2810 FRANK SCOTT PARKWAY WEST, SUITE 812
BELLEVILLE, ILLINOIS 62223-5092

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, in a separate letter dated August 15, 2012.

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.
August 15, 2012

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL 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 St. Clair County, Illinois' compliance of the primary government with the types of compliance requirements described in the *U.S. Office of Management and Budget (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, 2011. 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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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, 2011. 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 11-1, 11-2, and 11-3.

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.

JWBoyle & Co., Ltd.

J.W. Boyle & Co., Ltd.
August 15, 2012

ST CLAIR COUNTY, ILLINOIS
Schedule of Expenditures of Federal Awards
For the year ended December 31, 2011

CFDA #	Grant Number	Program Name	Pass-through Entity	Program Period	Program or Award Amount	Deferred (Receivable) Revenue 12/31/10	Grant Revenue Received	Expenditures	Deferred (Receivable) Revenue 12/31/11
U.S. Department of Agriculture									
10.553	2011-4220-00	School Breakfast Program	IL State Board of Education	10/1/10-9/30/11		$ (940)	$ 6,909	$ 5,969	$ -
10.553	2012-4220-00	School Breakfast Program	IL State Board of Education	9/1/11-9/30/12		-	1,226	1,878	(652)
	Subtotal 10.553					(940)	8,135	7,847	(652)
10.555	2011-4210-00	National School Lunch Program	IL State Board of Education	10/1/10-9/30/11		(1,417)	10,388	8,971	-
10.555	2012-4210-00	National School Lunch Program	IL State Board of Education	9/1/11-9/30/12		-	1,836	2,824	(988)
10.555	2011	Commodity Credit (Non-Cash)	IL State Board of Education	7/1/10-6/30/11		-	1,255	1,255	-
10.555	2012	Commodity Credit (Non-Cash)	IL State Board of Education	7/1/11-6/30/12		-	1,136	1,136	-
	Subtotal 10.555					(1,417)	14,615	14,186	(988)
10.557	Non-Cash	Women, Infants, and Children	IL Dept of Human Services	7/1/10-6/30/11	1,787,216	-	1,039,379	1,039,379	-
10.557	Non-Cash	Women, Infants, and Children	IL Dept of Human Services	7/1/11-12/31/11	756,829	-	756,829	756,829	-
10.557	M11GM483900	Women, Infants, and Children	IL Dept of Human Services	7/1/10-6/30/11	439,500	(21,989)	220,500	198,511	-
10.557	11GQ01248	Women, Infants, and Children	IL Dept of Human Services	7/1/11-6/30/12	439,500	-	219,685	224,679	(4,994)
10.557	M11GM483980	WIC Breastfeeding Peer Counselor	IL Dept of Human Services	7/1/10-6/30/11	47,000	2,886	27,200	30,086	-
10.557	11GQ01638	WIC Breastfeeding Peer Counselor	IL Dept of Human Services	7/1/11-6/30/12	50,000	-	24,600	32,985	(8,385)
	Subtotal for 10.557 **(M)**					(19,103)	2,288,193	2,282,469	(13,379)
10.572	11GQ01442	WIC Farmers Market	IL Dept of Human Services	7/1/11-10/31/11	1,000	-	1,000	1,000	-
	Subtotal for 10.572					-	1,000	1,000	-
10.559	15280136	Summer Food	IL Dept of Public Health	5/1/11-8/31/11	800	-	500	500	-
	Subtotal for 10.559					-	500	500	-
		Total for U.S. Department of Agriculture				$ (21,460)	$ 2,312,443	$ 2,306,002	$ (15,019)
U.S Department of Defense									
12.610	EN0666-10-02	Joint Land Use Study	Office of Economic Adjustment	4/1/10-3/31/11	54,000	$ (11,866)	$ 19,019	$ 7,153	$ -
		Total U.S. Department of Defense				$ (11,866)	$ 19,019	$ 7,153	$ -
U.S Department of the Interior									
15.916	LWCF 17-00964	Land & Water Conservation Fund Grants	IL Department of Natural Resources	4/25/08-6/30/11	750,000	$ -	$ -	$ 750,000	$ (750,000)
15.916	LWCF 17-00966	Land & Water Conservation Fund Grants	IL Department of Natural Resources	7/23/09-6/30/11	375,000	-	-	375,000	(375,000)
		Total U.S. Department of the Interior **(M)**				$ -	$ -	$ 1,125,000	$ (1,125,000)

ST CLAIR COUNTY, ILLINOIS
Schedule of Expenditures of Federal Awards
For the year ended December 31, 2011

CFDA #	Grant Number	Program Name	Pass-through Entity	Program Period	Program or Award Amount	Deferred (Receivable) Revenue 12/31/10	Grant Revenue Received	Expenditures	Deferred (Receivable) Revenue 12/31/11
Department of Housing and Urban Development									
14.238	IL0087C5T080802	Next Step Up	St. Clair Cty Inter. Govern Grants	11/1/10-5/1/11	12,038	$ (2,744)	$ 5,614	$ 2,870	$ -
14.238	IL0087C5T081003	Next Step Up	St. Clair Cty Inter. Govern Grants	5/2/11-5/1/12	10,607	-	3,501	4,332	(831)
	Subtotal 14.238					(2,744)	9,115	7,202	(831)
14.241	05780419	HOPWA	IL Dept. of Public Health	1/1/10-12/31/10	20,000	(1,258)	1,258	-	-
14.241	15780161	HOPWA	IL Dept. of Public Health	4/1/11-12/31/11	16,000	-	710	2,013	(1,303)
14.241	05780440	Ryan White Part B	IL Dept. of Public Health	4/1/10-3/31/11	3,496	-	3,496	3,496	-
	Subtotal 14.241					(1,258)	5,464	5,509	(1,303)
		Total Department of Housing and Urban Development				$ (4,002)	$ 14,579	$ 12,711	$ (2,134)
U.S. Department of Justice									
16.575	210070	Prosecutor Based Victim Assistance	IL Criminal Just Inform Authority	10/1/10-9/30/11	38,944	$ (10,885)	$ 38,944	$ 28,059	$ -
16.575	211070	Prosecutor Based Victim Assistance	IL Criminal Just Inform Authority	10/1/11-9/30/12	38,944	-	-	11,141	(11,141)
	Subtotal 16.575					(10,885)	38,944	39,200	(11,141)
16.585	2010-DC-BX-0045	FY 2010 Drug Court Grant Program	Bureau of Justice Assistance	7/1/10-6/30/12	100,000	(11,110)	69,048	63,924	(5,986)
	Subtotal 16.585					(11,110)	69,048	63,924	(5,986)
16.588	606373	D/V MultiDisciplinary Team	IL Criminal Just Inform Authority	7/1/09-6/30/10	261,463	(3,116)	-	-	(3,116)
16.588	607373	D/V MultiDisciplinary Team	IL Criminal Just Inform Authority	7/1/10-6/30/11	261,463	(63,043)	196,097	133,054	-
16.588	610373	D/V MultiDisciplinary Team	IL Criminal Just Inform Authority	7/1/11-6/30/12	261,463	-	-	137,701	(137,701)
16.588	607372	D/V MultiDisciplinary Team	IL Criminal Just Inform Authority	7/1/09-6/30/10	155,510	(8,339)	-	-	(8,339)
16.588	609372	D/V MultiDisciplinary Team	IL Criminal Just Inform Authority	7/1/10-6/30/11	155,510	(39,195)	116,632	77,437	-
16.588	610372	D/V MultiDisciplinary Team	IL Criminal Just Inform Authority	7/1/11-6/30/12	155,510	-	-	76,699	(76,699)
16.588	609072	D/V MultiDisciplinary Team	IL Criminal Just Inform Authority	7/1/10-6/30/11	37,432	(8,939)	27,982	19,043	-
16.588	609272	D/V MultiDisciplinary Team	IL Criminal Just Inform Authority	7/1/11-6/30/12	37,432	-	-	18,627	(18,627)
	Subtotal 16.588					(122,632)	340,711	462,561	(244,482)
16.738	409026	Edward Byrne Memorial Justice Asst	IL Criminal Just Inform Authority	10/1/11-9/30/12	108,003	-	40,000	27,000	13,000
	Subtotal 16.738 (M)					-	40,000	27,000	13,000
16.803	809009	ARRA - Edward Byrne Memorial Justice As (Juvenile Transition Program)	IL Department of Juvenile Justice	5/1/10-9/30/11	350,000	(48,836)	283,665	234,829	-
16.803	809126	ARRA - Edward Byrne Memorial Justice As	IL Criminal Just Inform Authority	10/1/10-9/30/11	108,003	12,093	68,003	80,096	-
16.803	809051.13	ARRA - Edward Byrne Memorial Justice As (Adult Redeploy Illinois)	IL Criminal Just Inform Authority	1/1/11-2/28/13	350,000	-	60,000	90,337	(30,337)
	Subtotal 16.803 (M)					(36,743)	411,668	405,262	(30,337)
		Total U.S. Department of Justice				$ (181,370)	$ 900,371	$ 997,947	$ (278,946)

ST CLAIR COUNTY, ILLINOIS
Schedule of Expenditures of Federal Awards
For the year ended December 31, 2011

CFDA #	Grant Number	Program Name	Pass-through Entity	Program Period	Program or Award Amount	Deferred (Receivable) Revenue 12/31/10	Grant Revenue Received	Expenditures	Deferred (Receivable) Revenue 12/31/11
U.S. Department of Transportation									
20.106	3-17-146-26	Runway, Deicer Equipment & ALCMS	IL Dept of Transportation	FY2009	1,169,166	$ -	$ 26,936	$ 26,936	$ -
20.106	3-17-146-28	Mike Apron Extention - Phase I	IL Dept of Transportation	FY2011	308,750	-	162,818	271,499	(108,681)
	Subtotal 20.106					-	189,754	298,435	(108,681)
20.600	OP1-0430-193	Highway Safety Project Agreement, Cond. ;	IL Dept of Transportation	10/1/10-9/30/11	32,978	(6,815)	22,980	16,165	-
20.600	OP-2-0082-009	Highway Safety Project Agreement, Cond. ;	IL Dept of Transportation	10/1/11-9/30/12	62,487	-	-	13,848	(13,848)
	Subtotal 20.600					(6,815)	22,980	30,013	(13,848)
20.601	AL1-0082-010	Local Alcohol Project	IL Dept of Transportation	10/1/10-9/30/11	147,789	(34,172)	133,095	98,885	38
20.601	AL2-0082-020	Local Alcohol Project	IL Dept of Transportation	10/1/11-9/30/12	217,490	-	-	(32,519)	32,519
	Subtotal 20.601					(34,172)	133,095	66,366	32,557
20.703	FFY10	Hazardous Materials Emergency Preparedı	IL Emergency Management	10/01/09-9/30/10	4,350	(4,348)	4,348	-	-
20.703	FFY11	Hazardous Materials Emergency Preparedı	IL Emergency Management	10/01/10-9/30/11	5,900	-	5,799	5,885	(86)
	Subtotal 20.703					(4,348)	5,799	5,885	(86)
		Total U.S. Department of Transportation				$ (45,335)	$ 351,628	$ 400,699	$ (90,058)
U.S. Environmental Protection Agency									
66.605	15380144	Potable Water Supply	IL Dept of Public Health	10/1/10-9/30/11	1,000	$ (238)	$ 925	$ 687	$ -
	Subtotal 66.605					(238)	925	687	-
66.432	25380301	Potable Water Supply	IL Dept of Public Health	10/1/11-9/30/12	950	-	-	225	(225)
	Subtotal 66.432					-	-	225	(225)
		Total U.S. Environmental Protection Agency				$ (238)	$ 925	$ 912	$ (225)
U.S. Department of Education									
84.360A		Stay In School Intergovernmental Agreeme	St. Clair County Regional Office of Educat	1/3/2011-9/30/11	90,621	$ -	$ 90,621	$ 90,621	$ -
84.360A		Stay In School Intergovernmental Agreeme	St. Clair County Regional Office of Educat	10/1/11-9/30/12	123,000	-	13,184	29,437	(16,253)
		Total U.S. Department of Education				$ -	$ 103,805	$ 120,058	$ (16,253)

ST CLAIR COUNTY, ILLINOIS
Schedule of Expenditures of Federal Awards
For the year ended December 31, 2011

CFDA #	Grant Number	Program Name	Pass-through Entity	Program Period	Program or Award Amount	Deferred (Receivable) Revenue 12/31/10	Grant Revenue Received	Expenditures	Deferred (Receivable) Revenue 12/31/11
Election Assistance Commission									
90.401	Phase III	Help America Vote	IL State Board of Elections	1/1/09-11/6/12	269,516	$ -	$ 75,086	$ 75,086	$ -
	Subtotal 90.401					-	75,086	75,086	-
93.617	Grant#6-VAID IV	Voting Access for Individuals w/ Disabilities	IL State Board of Elections	5/1/11-12/1/12	16,918	-	-	14,199	(14,199)
	Subtotal 93.617					-	-	14,199	(14,199)
		Total Election Assistance Commission				$ -	$ 75,086	$ 89,285	$ (14,199)
Department of Homeland Security									
97.042	FY10	ESDA	IL Emergency Management	10/1/09-9/30/10	67,198	$ (8,856)	$ 8,856	$ -	$ -
97.042	FY11	ESDA	IL Emergency Management	10/1/10-9/30/11	67,323	(16,831)	67,323	60,211	(9,719)
97.042	FY12	ESDA	IL Emergency Management	10/1/11-9/30/12		-	-	27,889	(27,889)
97.042	2010-EP-E0-0001	EMPG Narrowbanding Grant	IL Emergency Management	5/1/11-12/31/11	10,972	-	-	10,972	(10,972)
	Subtotal 97.042					(25,687)	76,179	99,072	(48,580)
97.067	Non-cash	Cities Readiness Initiative	East-West Gateway Coun. Gov.	1/1/11-12/31/11	18,548	-	18,548	18,548	-
97.067	10ILEASEOC	FY2010 Emergency Operations Center Tec	IL Law Enforcement Alarm System	5/19/11-3/31/12	37,665	-	35,967	35,967	-
97.067	09CCPSTCLA-GAN#1	Citizen Corps Program	IL Emergency Management	1/1/10-12/31/10	3,498	(1,143)	1,143	-	-
97.067	10CCPSTCLA	Citizen Corps Program	IL Emergency Management	1/1/11-12/31/11	3,500	-	-	3,487	(3,487)
97.067	09RTPSTCLA	State Homeland Security Program (SHSP)	IL Emergency Management	1/1/11-12/31/11	37,500	-	18,720	37,440	(18,720)
	Subtotal 97.067					(1,143)	74,378	95,442	(22,207)
		Total Department of Homeland Security				$ (26,830)	$ 150,557	$ 194,514	$ (70,787)
U.S. Department of Health and Human Services									
93.008	MRC 11 1779	Medical Reserve Corps	Nat. Assoc. Cty & City Health Officials	1/5/11-7/31/11	5,000	$ -	$ 5,000	$ 1,194	$ 3,806
	Subtotal 93.008					-	5,000	1,194	3,806
93.048	HHS-2009-AoA-MA-0907	Congressional Mandate	U.S. Administration on Aging	8/1/09-7/31/09	143,000	(7,695)	14,993	7,298	-
	Subtotal 93.048					(7,695)	14,993	7,298	-

ST CLAIR COUNTY, ILLINOIS
Schedule of Expenditures of Federal Awards
For the year ended December 31, 2011

CFDA #	Grant Number	Program Name	Pass-through Entity	Program Period	Program or Award Amount	Deferred (Receivable) Revenue 12/31/10	Grant Revenue Received	Expenditures	Deferred (Receivable) Revenue 12/31/11
93.069	07181076	Public Health Emergency Preparedness	IL Dept of Public Health	8/1/09-7/31/11	385,509	(42,815)	154,476	111,661	-
93.069	27180082	Public Health Emergency Preparedness	IL Dept of Public Health	8/1/11-7/31/12	127,850	-	-	58,716	(58,716)
93.069	17180050	Public Health Emergency Response	IL Dept of Public Health	2/1/11-7/30/11	49,104	-	31,882	31,882	-
93.069	17180029	Public Health Emergency Response 3	IL Dept of Public Health	1/1/11-7/30/11	85,476	-	64,745	64,745	-
93.069	07181116	Cities Readiness Initiative	IL Dept of Public Health	8/1/09-7/31/11	146,317	(18,575)	46,835	28,260	-
93.069	27180117	Cities Readiness Initiative	IL Dept of Public Health	8/1/11-7/31/12	53,545	-	1,330	10,550	(9,220)
	Subtotal 93.069					(61,390)	299,268	305,814	(67,936)
93.116	05180457	Directly Observed Therapy	IL Dept of Public Health	1/1/10-12/31/10	12,000	(3,000)	3,000	-	-
93.116	15180130	Directly Observed Therapy	IL Dept of Public Health	1/1/11-12/31/11	9,000	-	3,963	7,591	(3,628)
	Subtotal 93.116					(3,000)	6,963	7,591	(3,628)
93.268	Non-Cash	Vaccines for Children (VFC)	IL Dept of Public Health	1/1/11-12/31/11	164,623	-	164,623	164,623	-
93.268	05180770	AFIX	IL Dept of Public Health	1/1/10-12/31/10	35,000	(13,144)	13,144	-	-
93.268	15180115	AFIX	IL Dept of Public Health	1/1/11-12/31/11	35,000	-	24,601	35,000	(10,399)
	Subtotal 93.268					(13,144)	202,368	199,623	(10,399)
93.283	13281075	IL Tobacco Free Community	IL Dept of Public Health	7/1/10-6/30/11	9,469	-	9,469	9,469	-
93.283	16180031	Breast & Cervical Cancer	IL Dept of Public Health	7/1/10-6/30/11	129,037	-	74,031	74,031	-
93.283	26180031	Breast & Cervical Cancer	IL Dept of Public Health	7/1/11-6/30/12	115,903	-	86,287	86,287	-
93.283	16180042	Wisewomen	IL Dept of Public Health	7/1/10-6/30/11	34,237	(13,670)	32,280	18,610	-
93.283	26180042	Wisewomen	IL Dept of Public Health	7/1/11-6/30/12	44,960	-	17,451	36,469	(19,018)
	Subtotal 93.283					(13,670)	219,518	224,866	(19,018)
93.563		Recorder of Deeds	IL Dept of Healthcare & Family Services			-	51	51	-
93.563	FY11	Title IV-D State's Attorney	IL Dept of Healthcare & Family Services	7/1/10-6/30/11	407,477	(107,019)	322,346	215,327	-
93.563	2011-55-013	Title IV-D State's Attorney	IL Dept of Healthcare & Family Services	7/1/11-6/30/12	407,477	-	76,166	183,777	(107,611)
93.563	FY11	Title IV-D Circuit Clerk	IL Dept of Healthcare & Family Services	7/1/10-6/30/11	78,335	(14,997)	53,238	38,241	-
93.563	2011-55-007	Title IV-D Circuit Clerk	IL Dept of Healthcare & Family Services	7/1/11-6/30/12	78,335	-	23,215	38,034	(14,819)
	Subtotal 93.563					(122,016)	475,016	475,430	(122,430)
93.575	M11GM483420	Healthy Child Care Illinois	IL Dept of Human Services	7/1/10-6/30/11	60,000	(4,762)	35,000	30,238	-
93.575	11GQ01548	Healthy Child Care Illinois	IL Dept of Human Services	7/1/11-6/30/12	40,002	-	29,998	31,143	(1,145)
	Subtotal 93.575					(4,762)	64,998	61,381	(1,145)
93.667	M11GM483300	Family Case Management	IL Dept of Human Services	7/1/10-6/30/11	7,000	-	7,000	7,000	-
93.667	11GQ01159	Family Case Management	IL Dept of Human Services	7/1/11-6/30/12	7,000	-	2,333	2,333	-
93.667	M11GM483840	Teen Parent Services	IL Dept of Human Services	7/1/10-6/30/11	4,439	-	4,439	4,439	-
	Subtotal 93.667					-	13,772	13,772	-

ST CLAIR COUNTY, ILLINOIS
Schedule of Expenditures of Federal Awards
For the year ended December 31, 2011

CFDA #	Grant Number	Program Name	Pass-through Entity	Program Period	Program or Award Amount	Deferred (Receivable) Revenue 12/31/10	Grant Revenue Received	Expenditures	Deferred (Receivable) Revenue 12/31/11
93.778	L11GL483300	Federal Medicaid Match	IL Dept of Healthcare & Family Services	FY 10-11	42,397	(32,682)	32,682	-	-
93.778	M11GM483300	Federal Medicaid Match	IL Dept of Healthcare & Family Services	FY10-11	79,383	(50,465)	79,383	28,918	-
93.778	M11GM483300	Federal Medicaid Match	IL Dept of Healthcare & Family Services	FY10-11	34,735	-	34,735	34,735	-
93.778	11GQ01159	Federal Medicaid Match	IL Dept of Healthcare & Family Services	FY11-12	52,939	-	-	52,939	(52,939)
93.778	11GQ01159	Family Case Management	Il Dept of Human Services	FY11-12	380,384	-	-	191,359	(191,359)
93.778		Federal Medicaid Match	IL Dept of Healthcare & Family Services		19,813	-	19,813	19,813	-
	Subtotal 93.778 (M)					(83,147)	166,613	327,764	(244,298)
93.914	10-42	Ryan White Part A	City of St Louis Dept of Health	3/1/10-2/28/11	636,697	(178,827)	254,054	75,227	-
93.914	11-30	Ryan White Part A	City of St Louis Dept of Health	3/1/11-2/29/12	633,515	-	218,544	434,652	(216,108)
	Subtotal 93.914					(178,827)	472,598	509,879	(216,108)
93.917	05780440	Ryan White Part B	IL Dept of Public Health	4/1/10-3/31/11	921,959	(185,087)	514,508	329,421	-
93.917	15780152	Ryan White Part B	IL Dept of Public Health	4/1/11-3/31/12	759,769	-	163,981	503,382	(339,401)
	Subtotal 93.917 (M)					(185,087)	678,489	832,803	(339,401)
93.940	05780448	HIV Perinatal	IL Dept of Public Health	1/1/10-12/31/10	29,000	(13,728)	13,728	-	-
	Subtotal 93.940					(13,728)	13,728	-	-
93.994	11GQ01030	Target Int. Prenatal Case Management	IL Dept of Human Services	7/1/11-6/30/12	91,699	-	-	33,929	(33,929)
93.994	M11GM483230	Teen Pregnancy Prevention	IL Dept of Human Services	7/1/10-6/30/11	81,059	7,375	41,299	48,674	-
93.994	11GQ00483	Teen Pregnancy Prevention	IL Dept of Human Services	7/1/11-6/30/12	80,929	-	26,974	27,651	(677)
	Subtotal 93.994					7,375	68,273	110,254	(34,606)
		Total for U.S. Department of Health and Human Services				$ (679,091)	$ 2,701,597	$ 3,077,669	$ (1,055,163)
			Total Federal Financial Assistance			$ (970,192)	$ 6,630,010	$ 8,331,950	$ (2,667,784)

(M) = Major Program

Notes to the Schedule of Expenditures of Federal Awards
For the year ended December 31, 2011

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	16.588	
Violence Prevention Center		$ 124,950
Breast & Cervical Cancer Services	93.283	
East Side Health District		$ 48,393
HIV Minority Aids Case Management	93.940	
Washington University		$ 2,284
Ryan White Part A Case Management	93.914	
Bethany Place		$ 38,292
Coordinated Youth & Human Services		$ 14,980
East Side Health District		$ 31,437
Southern Illinois Healthcare		$ 34,600
Ryan White Part B Case Management	93.917	
Bethany Place		$ 11,659
Coordinated Youth & Human Services		$ 148,181
East Side Health District		$ 96,022
East Side Health District (outreach)		$ 19,464
Southern Illinois Healthcare		$ 165,622
Southern Illinois Healthcare (outreach)		$ 9,895
Teen Pregnancy Prevention	93.994	
Chestnut Health Systems		$ 8,600
Public Health Emergency Response	93.069	
East Side Health District		$ 17,789
Madison County Government		$ 7,000
Regional Office of Education		$ 17,650

Notes to the Schedule of Expenditures of Federal Awards
For the year ended December 31, 2011

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, 2011

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 3 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 Agriculture	10.557	Women, Infants, and Children WIC Breastfeeding Peer Counselor
Department of the Interior	15.916	Land & Water Conservation Fund Grants
Department of Justice	16.738	Edward Byrne Memorial Justice Assistance
	16.803	ARRA - Edward Byrne Memorial Justice Assistance
Department of Health & Human Services	93.778	Federal Medicaid Match Family Case Management
	93.917	Ryan White Part B

Schedule of Findings and Questioned Costs
For the year ended December 31, 2011

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.

Schedule of Findings and Questioned Costs
For the year ended December 31, 2011

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, 2011

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FINDING NO. 11-1
REPEATED FROM 10-3

Federal Program Name and Year: ARRA – Edward Byrne Memorial Justice Assistance
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:***
   Grant administrator was deficient in the understanding of compliance requirements.

6. ***Recommendation:***
   We recommend that the St. Clair County Auditor's Office have a designated grant administrator who is familiar with OMB A-133 requirements to monitor grant compliance requirements for all grants that pass though the County Auditor's Office.

7. ***Management's response:***
   The grant checklist currently in use has been reviewed and will be updated to insure all compliance issues are addressed.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FINDING NO. 11-2
REPEATED FROM 10-4

Federal Program Name and Year: ARRA – Edward Byrne Memorial Justice Assistance
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

No 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 agreements as required by the Illinois Department of Juvenile Justice.

4. ***Questioned Costs:***
   None.

5. ***Cause:***
   Grant administrator was deficient in the understanding of compliance requirements.

6. ***Recommendation:***
   We recommend that the St. Clair County Auditor's Office have a designated grant administrator who is familiar with OMB A-133 requirements to monitor grant compliance requirements for all grants that pass though the County Auditor's Office.

7. ***Management's response:***
   The grant checklist currently in use has been reviewed and will be updated to insure all compliance issues are addressed and cover all A-133 requirements.

ST. CLAIR COUNTY, ILLINOIS

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2011

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FINDING NO. 11-3
REPEATED FROM N/A

Federal Program Name and Year: ARRA – Edward Byrne Memorial Justice Assistance (Adult Redeploy Illinois Program)
Project No: 809051.13
CFDA No: 16.803
Passed Through: Illinois Criminal Justice Information Authority
Federal Agency: U.S. Department of Justice

Noncompliance with Procurement Requirements

1. ***Criteria/specific requirement:***
   Non-federal entities entering into contracts for goods or services awarded under a grant are required to either verify that the entity receiving the subaward is not suspended or debarred by checking the Excluded Parties List System (EPLS) maintained by the General Services Administration, or adding a clause or condition to the contract with the entity.

2. ***Condition:***
   Prior to entering into contracts for services, the auditee failed to verify with EPLS as to whether the contractor was suspended or debarred or included a clause or condition in the contract.

3. ***Effect:***
   Noncompliance with federal requirements

4. ***Questioned Costs:***
   None.

5. ***Cause:***
   Grant administrator was deficient in the understanding of compliance requirements.

6. ***Recommendation:***
   We recommend that the St. Clair County Auditor's Office have a designated grant administrator who is familiar with OMB A-133 requirements to monitor grant compliance requirements for all grants that pass though the County Auditor's Office. In addition, before any grants are completed by other offices at the County, all grants should be reviewed by the grant administrator for compliance.

7. ***Management's response:***
   Procedures have been put in place so that all contracts are reviewed through the Sam.Gov website to insure compliance with grant requirements.

Corrective Action Plan for Current-Year Audit Findings
December 31, 2011

Corrective Action Plan

Finding No. 11-1

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 revenue and expenditures will be entered into grant's specific fund and a project number will be mandatory.

Anticipated Date of Completion:
Already completed.

Name of Contact Person:
Jackie Krummrich, Chief Deputy Auditor

Corrective Action Plan

Finding No. 11-2

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

Plan:
All grants that have payroll related expenses will be required to have separate timesheets.

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, 2011

Corrective Action Plan

Finding No. 11-3

Condition:
Prior to entering into contracts for services, the auditee failed to verify with EPLS as to whether the contractor was suspended or debarred, or included a clause or condition in the contract.

Plan:
Access to Sam.Gov website will be implemented for all compliance on all grants.

Anticipated Date of Completion:
As soon as practical.

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, 2011

Finding Number	Condition	Current Status
10-1	Noncompliance with grant time requirements	Corrected
10-2	Inadequate monitoring of subrecipients	Corrected
10-3	Separate tracking of Recovery Act funds not maintained	Repeat finding
10-4	Lack of documentation for time worked on award	Repeat finding

ST CLAIR COUNTY, ILLINOIS
Schedule of State Funded Grants
For the year ended December 31, 2011

Grant Number	Program Name	Grantor Agency	Program Period	Program or Award Amount	Deferred (Receivable) Revenue 12/31/10	Grant Revenue Received	Expenditures	Deferred (Receivable) Revenue 12/31/11
FY11	State's Atty Title IV-D	IL Dept of Healthcare & Family Services	7/1/10-6/30/11	209,913	(55,131)	166,057	110,926	-
FY12	State's Atty Title IV-D	IL Dept of Healthcare & Family Services	7/1/11-6/30/12	209,913	-	39,237	94,673	(55,436)
FY11	Circuit Clerk Title IV-D	IL Dept of Healthcare & Family Services	7/1/10-6/30/11	40,354	(7,726)	27,426	19,700	-
FY12	Circuit Clerk Title IV-D	IL Dept of Healthcare & Family Services	7/1/11-6/30/12	40,354	-	11,959	19,593	(7,634)
	Lien Releases	IL Dept of Healthcare & Family Services			-	26	26	-
FY09-FY10	Healthy Moms-Healthy Kids	IL Dept of Healthcare & Family Services	7/1/09-6/30/10	108,234	(836)	836	-	-
FY10-FY11	Healthy Moms-Healthy Kids	IL Dept of Healthcare & Family Services	7/1/10-6/30/11	97,441	(27,441)	73,045	46,190	(586)
FY11-FY12	Healthy Moms-Healthy Kids	IL Dept of Healthcare & Family Services	7/1/11-6/30/12	51,358	-	1,890	51,358	(49,468)
FY10-FY11	All Kids	IL Dept of Healthcare & Family Services	7/1/10-6/30/11	2,950	-	2,250	2,250	-
FY11-FY12	All Kids	IL Dept of Healthcare & Family Services	7/1/11-6/30/12	3,650	-	3,650	-	3,650
	Total for Illinois Department of Healthcare and Family Services				(91,134)	326,376	344,716	(109,474)
13780233	Genetics Education & Follow-up	IL Dept of Public Health	7/1/10-6/30/11	11,500	(6,337)	11,500	5,163	-
23780233	Genetics Education & Follow-up	IL Dept of Public Health	7/1/11-6/30/12	13,500	-	4,946	6,530	(1,584)
05380160	Childhood Lead Poisoning	IL Dept of Public Health	7/1/09-6/30/11	14,000	(7,000)	7,000	-	-
25380196	Childhood Lead Poisoning	IL Dept of Public Health	7/1/11-6/30/12	13,447	-	-	6,867	(6,867)
05380466	Culex/West Nile Virus	IL Dept of Public Health	4/1/10-3/31/11	41,955	4,747	-	4,747	-
15380046	Culex/West Nile Virus	IL Dept of Public Health	4/1/11-3/31/12	34,486	-	20,054	28,388	(8,334)
15280311	Tanning Facilities Program	IL Dept of Public Health	7/1/10-6/30/11	3,500	(1,000)	3,000	2,000	-
25380112	Tanning Facilities Program	IL Dept of Public Health	7/1/11-6/30/12	3,500	-	-	1,050	(1,050)
15280164	Tattoo/Body Art	IL Dept of Public Health	7/1/10-6/30/11	10,000	(1,725)	1,725	-	-
25380038	Tattoo/Body Art	IL Dept of Public Health	7/1/11-6/30/12	2,000	-	-	1,763	(1,763)
15780125	HIV Jail Project	IL Dept of Public Health	7/1/10-6/30/11	45,000	(4,567)	45,000	40,433	-
15780152	Ryan White Part B	IL Dept of Public Health	4/1/11-3/31/12	120,000	-	120,000	120,000	-
16180031	Breast & Cervical Cancer	IL Dept of Public Health	7/1/10-6/30/11	309,018	(98,462)	299,469	201,007	-
26180031	Breast & Cervical Cancer	IL Dept of Public Health	7/1/11-6/30/12	281,942	-	511	209,381	(208,870)
16180042	Wisewoman	IL Dept of Public Health	7/1/10-6/30/11	6,043	-	6,043	6,043	-
16180042	Ticket for the Cure	IL Dept of Public Health	1/1/11-12/31/11	25,000	(13,271)	13,271	-	-
13281075	IL Tobacco-Free Communites	IL Dept of Public Health	7/1/10-6/30/11	63,127	(34,110)	59,620	25,510	-
23281075	IL Tobacco-Free Communites	IL Dept of Public Health	7/1/11-6/30/12	63,127	-	-	19,814	(19,814)
13281125	Reality Illinois	IL Dept of Public Health	1/1/11-6/30/12	15,000	-	2,500	6,407	(3,907)
15080184	Local Health Protection	IL Dept of Public Health	7/1/10-6/30/11	285,095	(188,589)	285,095	96,506	-
25080184	Local Health Protection	IL Dept of Public Health	7/1/11-6/30/12	282,244	-	-	230,653	(230,653)
03286005	Comm. Putting Prev. to Work	IL Dept of Public Health	5/1/10-6/30/11	100,000	77,795	-	77,795	-
	Total for Illinois Department of Public Health				(272,519)	879,734	1,090,057	(482,842)

ST CLAIR COUNTY, ILLINOIS
Schedule of State Funded Grants
For the year ended December 31, 2011

Grant Number	Program Name	Grantor Agency	Program Period	Program or Award Amount	Deferred (Receivable) Revenue 12/31/10	Grant Revenue Received	Expenditures	Deferred (Receivable) Revenue 12/31/11
11GL483580	Redeploy Illinois	IL Dept of Human Serv	07/01/09-6/30/10	351,432	6,985	-	-	6,985
11GM483000	Redeploy Illinois	IL Dept of Human Serv	7/1/10-6/30/11	322,744	(161,400)	322,744	161,344	-
11GQ01411	Redeploy Illinois	IL Dept of Human Serv	7/1/11-6/30/12	317,354	-	-	154,992	(154,992)
M11GM483300	Family Case Management	IL Dept of Human Serv	7/1/10-6/30/11	414,758	(207,379)	407,758	200,379	-
L11GL483440	Target Int. Prenatal Case Mgt.	IL Dept of Human Serv	7/1/09-6/30/10	169,987	(1,750)	-	-	(1,750)
M11GM483440	Target Int. Prenatal Case Mgt.	IL Dept of Human Serv	7/1/10-6/30/11	152,988	(70,391)	134,980	64,589	-
11GQ01030	Target Int. Prenatal Case Mgt.	IL Dept of Human Serv	7/1/11-6/30/12	43,553	-	-	43,553	(43,553)
M11GM483840	Teen Parent Services	IL Dept of Human Serv	7/1/10-6/30/11	98,161	(39,585)	77,898	38,313	-
M11GM483230	Teen Pregnancy Prevention	IL Dept of Human Serv	7/1/10-6/30/11	1,170	(1,170)	1,170	-	-
11GQ00483	Teen Pregnancy Prevention	IL Dept of Human Serv	7/1/11-6/30/12	390	-	390	390	-
	Total Illinois Department of Human Services				(474,690)	944,940	663,560	(193,310)
WHW-10303	Groundwater Protect. Committee	IL Env Protection Agency	7/30/09-6/30/12	14,000	(610)	1,648	2,036	(998)
R6-2, DLC 8116	Solid Waste Enforcement	IL Env Protection Agency	7/1/10-6/30/11	169,674	(91,011)	169,674	78,663	-
R6-2, DLC 8116	Solid Waste Enforcement	IL Env Protection Agency	7/1/11-6/30/12	169,668	-	42,021	75,996	(33,975)
	Total Illinois Environmental Protection Agency				(91,621)	213,343	156,695	(34,973)
LE-11-7703	Stand Against Cancer	Spingfield Urban League	7/1/10-6/30/11	11,000	(3,925)	8,508	4,583	-
LE-12-7703	Stand Against Cancer	Spingfield Urban League	7/1/11-6/30/12	12,500	-	-	5,175	(5,175)
	Total Springfield Urban League				(3,925)	8,508	9,758	(5,175)
FY11	Linking to Care Project	Pub Health Inst of Metro Chicago	10/1/10-12/30/11	3,000	-	-	3,000	(3,000)
	Total Public Health Inst of Metro Chicago				-	-	3,000	(3,000)
I4396698	Project Best Practices	University of Illinois	10/1/11-8/1/12	4,500	-	4,500	2,048	2,452
	Total University of Illinois				-	4,500	2,048	2,452
MV#10-010	Metro-East Auto Theft	IL Criminal Just Info Auth	1/1/10-12/31/10	76,596	(9,766)	9,766	-	-
MV#11-010	Metro-East Auto Theft	IL Criminal Just Info Auth	1/1/11-12/31/11	76,596	-	76,596	76,596	-
	Total Illinois Criminal Justice Information Authority				(9,766)	86,362	76,596	-
BLV-3851	Mike Apron Extention - Phase I	IL Dept of Transportation	FY2011	8,125	-	4,243	7,102	(2,859)
	Total Illinois Department of Transportation				-	4,243	7,102	(2,859)

ST CLAIR COUNTY, ILLINOIS
Schedule of State Funded Grants
For the year ended December 31, 2011

Grant Number	Program Name	Grantor Agency	Program Period	Program or Award Amount	Deferred (Receivable) Revenue 12/31/10	Grant Revenue Received	Expenditures	Deferred (Receivable) Revenue 12/31/11
2011-3360-00	State Free Lunch & Breakfast	Il State Board of Education	7/1/10-6/30/11		(105)	763	658	-
2012-3360-00	State Free Lunch & Breakfast	Il State Board of Education	7/1/11-6/30/12		-	240	386	(146)
	Total for Illinois State Board of Education				(105)	1,003	1,044	(146)
11-1465	Victim Witness	Office Attorney General	7/1/10-6/30/11	27,500	(13,750)	27,500	13,750	-
11-1465	Victim Witness	Office Attorney General	7/1/11-6/30/12	24,750	-	12,375	12,375	-
	Total Office Attorney General				(13,750)	39,875	26,125	-
10-203444	Grant Management Program 01	IL Dept. of Commerce & Economic Opp.	4/1/11-3/31/13	300,000	-	300,000	229,536	70,464
	Total Illinois Department of Commerce & Economic Opportunity				-	300,000	229,536	70,464
FY2012	Tobacco Enforcement Grant	IL Dept of Revenue	8/1/11-6/30/12	2,200	-	2,200	-	2,200
FY2011	Acadamy Training Grant	IL Law Enforcement Training & Standards B	2011	18,237	-	-	14,289	(14,289)
		Total State and Local Funded Grants			$ (957,510)	$ 2,811,084	$ 2,624,526	$ (770,952)

PASSENGER FACILITY CHARGES SECTION

CERTIFIED PUBLIC ACCOUNTANTS
J.W. BOYLE & CO., LTD.
ESTABLISHED 1924

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, 2011. 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 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 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, 2011.

COPPER BEND CENTRE
2810 FRANK SCOTT PARKWAY WEST, SUITE 812
BELLEVILLE, ILLINOIS 62223-5092

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.
August 15, 2012

ST. CLAIR COUNTY, ILLINOIS

Schedule of Passenger Facility Charges
For the year ended December 31, 2011

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

	Earned	Collected	Receivable
Funds available January 1, 2011		$ 247,162	
Passenger facililty charges revenue			
Balance January 1, 2011	$ -	$ -	$ -
1st quarter	-	-	
2nd quarter	-	-	
3rd quarter	-	-	
4th quarter	-	-	
	$ -	-	
Balance December 31, 2011			$ -
Interest received			
1st quarter		321	
2nd quarter		336	
3rd quarter		305	
4th quarter		363	
Total received		1,325	
Expenditures on approved projects		-	
Funds available December 31, 2011		$ 248,487	

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, 2011

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