

ST. CLAIR COUNTY

ILLINOIS



ANNUAL AUDIT REPORT

For the Fiscal Year Ended December 31, 2013

ST. CLAIR COUNTY, ILLINOIS

Annual Financial Report

For the year ended December 31, 2013

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

ST. CLAIR COUNTY, ILLINOIS
Annual Financial Report
For the year ended December 31, 2013

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INTRODUCTORY SECTION



PATTY A. SPRAGUE

COUNTY AUDITOR

ST. CLAIR COUNTY

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September 22, 2014

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, 2013, 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 Generally Accepted Accounting Principles (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 Scheffel Boyle, 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, 2013, 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, 2013 are fairly presented in conformity with GAAP except that the financial activities of its component units, St. Clair County Public Building Commission,

Intergovernmental Grants Department, and Flood Prevention District, 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 continues 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 federal and 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, 2013 was 9.3%, up slightly from the 9.1% for December 2012. Due to its varied industries and its proximity to the St. Louis metropolitan area, the metropolitan region's rate was 6.6% compared to a 7% rate for 2012. The State rate remained at 8.6%. 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 again in 2013. 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. In 2013, another bridge across the Mississippi River was completed providing another highway connection between St. Clair County and the City of St. Louis. 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. Allegiant Airlines provides passenger service and plans to increase services later in 2014. An aircraft maintenance service operation is based at the airport and Boeing has 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. The Airport holds a foreign trade zone location designation and has a Customs and Border Patrol facility on site. Redistribution operations of perishable fruits and vegetables from a refrigerated warehouse operated by North Bay Produce expanded in 2013. International cargo operations are anticipated as overseas markets are looking for American produce.

A commuter mass-transit system connects St. Clair County to St. Louis, Missouri. The system currently links St. Louis Lambert International Airport to Scott Air Force Base in Mascoutah, Illinois. 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, Missouri 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 built another bridge across the Mississippi just north of downtown St. Louis that opened 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 over the last several years has lead to increased personnel working at the base and the expansion of military housing. 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 allow the joint-use facility to support the larger aircraft of military missions. The connection between the Scott runway and the runway at MidAmerica St Louis Airport provides the military additional runway space.

MidAmerica St Louis Airport has a Customs and Border Patrol facility to comply with stricter requirements under Homeland Security regulations. U.S. legislators from Illinois and other local leaders were able to secure an international port of entry status for MidAmerica. The cargo facilities, completed in 2012 to accommodate both dry and refrigerated commodities, was nearly doubled in 2013 allowing operations for importing and exporting perishable fruits and vegetables. Concentrated efforts to bring scheduled international cargo flights continue as well as increasing passenger service. Airport officials believe the return of passenger service will expand further leading to the collection of additional 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 increasing operational costs 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.

Interest rates and investment earnings also have an impact on the County's plans for acquiring and retiring debt. In April, 2013, the County took advantage of the lower long-term bond rates by refinancing certain bonds and issue additional debt to finance highway projects and construction of airport warehousing. In March of 2014, additional financing was acquired to finance significant upgrades to the 911 systems.

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. General government premiums for general liability, property, and worker's compensation insurance premiums increased slightly from \$1,289,000 in 2012 to \$1,400,000 in 2013. Airport insurance premium expenses increased; \$405,000 in 2012 to \$426,000 in 2013.

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 2013 costs, net of stop loss reimbursements, were \$10.2 million, nearly the same as the previous two years. 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 funds, 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. The County continues to take steps to monitor 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 thirty 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 continued 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. In 2012 the declining trend seemed to reverse and the unfunded liability declined to \$30 million by the end of 2013. The County continues to pay its annual required contribution each year as actuarially determined by IMRF. Although the actuarially determined unfunded liability is not recorded as a liability in the financial statements at this time, 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 dropped slightly to 11.46%, 21.84% and 37.46%, respectively, but increased again for 2013; 11.95%, 22.81%, and 35.42%. The rates for SLEP and elected officials increase again in 2014. Pension costs paid by the County for 2013 were \$5.6 million.

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

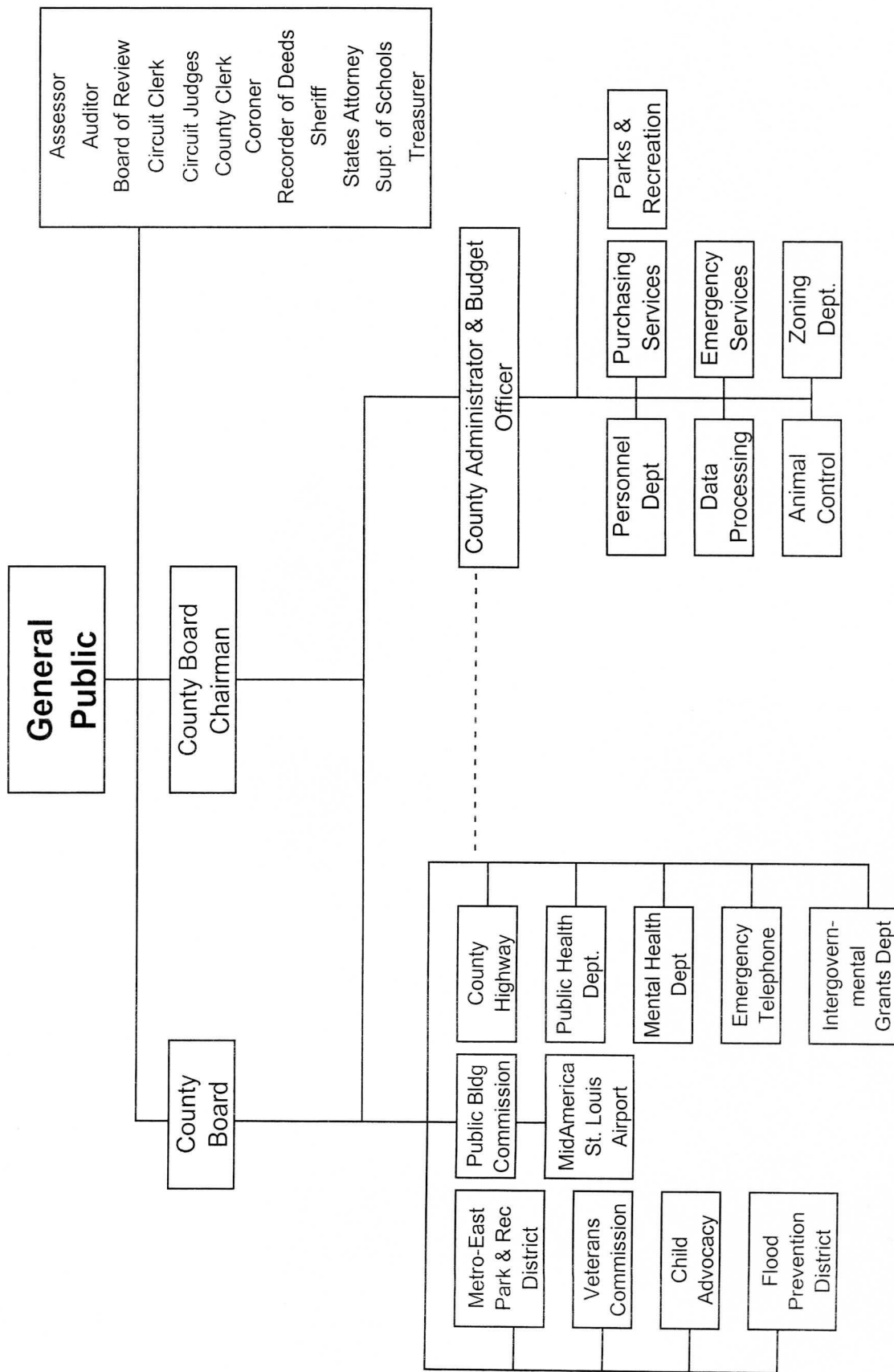
Respectfully,


Patty A. Sprague
St. Clair County Auditor

St. Clair County, Illinois

Organizational Chart

December 31, 2013



ST. CLAIR COUNTY, ILLINOIS

Principal Officials

December 31, 2013

County Board Members

DIST BOARD MEMBER

1 Robert Allen Jr.
2 Joan McIntosh
3 Oliver Hamilton, Sr.
4 Nicholas J. Miller
5 Lonnie Mosley
6 Roy Mosley Jr.
7 Edwin Cockrell
8 Ken Easterley
9 C. Richard Vernier
10 Dixie Siebert
11 Jerry Dinges
12 Angela Grossemann-Rowe
13 Stephen Reeb
14 Robert Trentman
15 John West

DIST BOARD MEMBER

16 June Chartrand
17 Curtis Jones
18 Craig Hubbard
19 C. David Tiedemann
20 Michael Baker
21 Frank Heiligenstein
22 Michael O'Donnell
23 Dennis Renner
24 Marty Crawford
25 Curtis McCall, Jr.
26 Larry Stammer
27 Ken Sharkey
28 Joseph Kassly
29 Carol Clark

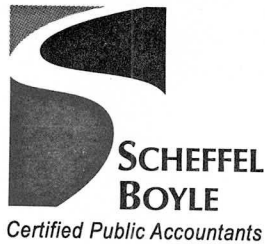
Other Elected Officials

Mark Kern, County Board Chairman
Tom Holbrook, County Clerk
Kahalal 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
Rick Watson, 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
Anne Markezich, Director, Zoning/Mapping & Platting
Herb Simmons, Emergency Services & Disaster Agency
Norman Touchette, Superintendent, Foley Park
Jim Brede, Director of Buildings

FINANCIAL SECTION



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON BARTELSON

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of St. Clair County, Illinois (County), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County's primary government as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Adverse Opinion

The financial statements referred to above include only the primary government of the 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. St. Clair County has issued separate reporting entity financial statements. Accounting principles generally accepted in the United States of America require financial data for the County's legally separate component units to be reported with the financial data of the County's primary government. The amount by which this departure would affect the assets, liabilities, net position, revenues, and expenses of the government-wide financial statements has not been determined.



Adverse Opinion

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion" paragraph, the financial statements referred to above do not present fairly the financial position of the reporting entity of the St. Clair County, Illinois, as of December 31, 2013, or the changes in financial position or cash flows thereof for the year then ended. In accordance with accounting principles generally accepted in the United States of America, St. Clair County, Illinois, has issued separate reporting entity financial statements.

Unmodified Opinions

In our opinion, 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 the St. Clair County, Illinois, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13, the retirement system schedule of funding progress on page A1, the other post employment benefits schedule of funding progress on page A2, and the budgetary comparison information on pages A3 through A6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 22, 2014, on our consideration of St. Clair County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of any audit performed in accordance with Government Auditing Standards in considering St. Clair County's internal control over financial reporting and compliance.


Scheffel Boyle
Belleville, Illinois
September 22, 2014

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, 2013. 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 \$336,437,000 (net position). Of this amount, \$103,540,000 is restricted for specific purposes of governmental activities. \$222,228,000 accounts for the net capital assets less related debt.
- The County's operating expenses for governmental activities increased by \$4.9 million from the prior year while the expenses of the Airport rose \$684,000.
- The governmental activities posted a decrease in net position of \$12 million.

Overview of the Financial Statements

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

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

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

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

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

The government-wide financial statements 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 36 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 32 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 and 19 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 pages 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 beginning on page 28.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning St. Clair County beginning on page A1. The County adopts an annual appropriated budget on the cash basis for its governmental funds. Budgetary comparison 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 A3-A6. 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 position may serve over time as a useful indicator of a government's financial position. In the case of St. Clair County, assets exceeded liabilities by \$336,437,000 at the close of 2013.

The governmental activities' assets account for 68% of total assets/deferred outflows of the County; 51% of the liabilities/deferred inflows; and 77% of net position. Nearly 57% 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 Position

(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2013	2012 (restated)	2013	2012 (restated)	2013	2012 (restated)
Current assets	\$ 207,179	\$ 195,383	\$ (2,605)	\$ (2,442)	\$ 204,574	\$ 192,941
Restricted assets	-	-	4,646	4,483	4,646	4,483
Capital assets	137,691	139,308	151,201	152,711	288,892	292,019
Deferred outflows	2,213	1,922	8,158	9,234	10,371	11,156
Total assets/deferred outflows	347,083	336,613	161,400	163,986	508,483	500,599

	Governmental		Business-type		Total	
	Activities		Activities			
	2013	2012 (restated)	2013	2012 (restated)	2013	2012 (restated)
Current liabilities	\$ 13,463	\$ 11,917	\$ 2,998	\$ 2,441	\$ 16,461	\$ 14,358
Long-term liabilities	42,756	20,786	80,876	78,849	123,632	99,635
Deferred inflows	31,953	32,646	-	-	31,953	32,646
Total liabilities/ deferred inflows	88,172	65,349	83,874	81,290	172,046	146,639
Net position:						
Net investment in capital assets	126,367	125,575	95,861	110,057	222,228	235,632
Restricted	103,540	85,292	-	-	103,540	85,292
Unrestricted	29,003	60,397	(18,335)	(27,361)	10,668	33,036
Total net position	\$ 258,911	\$ 271,264	\$ 77,526	\$ 82,696	\$ 336,437	\$ 353,960

Current and restricted assets, comprised predominantly of cash and investments and receivables, increased \$11.6 million from 2012. Cash and investments rose nearly \$13.4 million as a result of proceeds of \$21.6 million from newly issued highway bonds less debt service payments, capital improvements, reductions in revenues collected, and increases in expenditures. Taxes receivable decreased \$887,000 due to decreases in assessed valuations and County tax rates. Nearly \$30.8 million in 2013 property tax receivables are included in current assets but will not be collected until mid-2014 to finance the 2014/2015 expenditures as compared to the \$31.7 million at the end of 2012. Revenue recognition for these receivables has been deferred (included in deferred inflows) and not included in the County's net position. The Airport holds investments of approximately \$4.6 million; \$4.3 million of these funds have been placed in trust 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 \$16.6 million of governmental funds have been committed for debt reduction.

The most significant portion of St. Clair County's net position is its investment in capital assets (e.g., land, buildings, equipment, and infrastructure) less any related 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 2013 included nearly \$6.8 million in capital asset additions; road infrastructure, \$3.7 million; equipment, \$677,000; and land and buildings, \$1.5 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 \$82.6 million or 60% 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, 2013, 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 94% of Airport assets, have been financed with County, state, and federal contributions in addition to debt proceeds. The County continues to make improvements

with the financial assistance of FAA and state grant funds when feasible as well as County contributions.

Long-term debt represents a major component of liabilities (88%) and, for the most part, is a direct result of financing capital assets and improvements and interest accretion on outstanding debt. In 2013, the County restructured its capital lease obligations with the Public Building Commission for the governmental 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 position for both the governmental and business-type activities. The assets of St. Clair County exceeded its liabilities at the close of the year by \$336,437,000 (net position). Approximately 30% of net position is restricted for specific use; \$103,540,000 are restricted for specific purposes of governmental activities. The investment in net capital assets less related debt was \$222,228,000 at the end of 2013. Unrestricted net position was available for general use by the County to meet the County's ongoing general obligations to citizens and creditors.

Net position of St. Clair County decreased by \$17.5 million during 2013. Governmental activities experienced a negative change of \$5.6 million before transfers to Airport activities. Key elements of the change are as follows:

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

	Governmental Activities		Business-type Activities		Total	
	2013	2012 (restated)	2013	2012 (restated)	2013	2012 (restated)
Revenues:						
Program revenues:						
Charges for services	\$ 25,551	\$ 27,179	\$ 3,532	\$ 3,444	\$ 29,083	\$ 30,623
Operating grants & contributions	16,979	16,094	-	2	16,979	16,096
Capital grants & contributions	1,035	1,430	936	3,095	1,971	4,525
General revenues:						
Property taxes	31,868	32,573	-	-	31,868	32,573
Other taxes	16,874	16,088	-	-	16,874	16,088
Investment earnings	89	784	128	127	217	911
Other	2	22	-	-	2	22
Total revenues	92,398	94,170	4,596	6,668	96,994	100,838
Expenses:						
General government	20,934	20,991	-	-	20,934	20,991
Public safety	36,855	35,157	-	-	36,855	35,157
Judicial	14,524	14,709	-	-	14,524	14,709
Transportation	12,853	10,142	-	-	12,853	10,142
Public health	12,066	11,321	-	-	12,066	11,321
Interest - long-term debt	716	738	-	-	716	738
Airport operations	-	-	16,569	15,885	16,569	15,885
Total expenses	97,948	93,058	16,569	15,885	114,517	108,943
Increase (decrease) in net position before transfers	(5,550)	1,112	(11,973)	(9,217)	(17,523)	(8,105)
Transfers	(6,803)	(5,569)	6,803	5,569	-	-
Increase (decrease) in net position	(12,353)	(4,457)	(5,170)	(3,648)	(17,523)	(8,105)
Net position-beginning	271,264	275,721	82,696	86,344	353,960	362,065
Net position-ending	\$ 258,911	\$ 271,264	\$ 77,526	\$ 82,696	\$ 336,437	\$ 353,960

See independent auditors' report.

Governmental Activities

Total revenues dropped nearly \$1.8 million from 2012 to 2013. Charges for services were down \$1.6 million. Penalties and fees from 2 real estate tax sales in 2012 and reductions in court related fines and fees account for the majority of the decline. Operating grants were higher by \$885,000, originating largely from Public Health programs, while capital grants were lower by \$394,000 as there were less federal and state contributions for highway projects in 2013. The decline in property taxes of nearly \$705,000 was offset by an increase of \$786,000 in other taxes. Property taxes continue to account for approximately 34% of governmental revenues. The County decreased its tax rate slightly from .9132 to .9123 for taxes collected in 2013 while assessed valuations also decreased. Investment earnings were down by \$696,000. Rates remained low in 2013 and a market value adjustment at the end of the year added to the decline.

Overall governmental expenses increased by nearly \$4.9 million. Employee benefits costs (retirement and medical) increased for nearly all functional areas as well as an increase in payroll totaling nearly \$2 million. There was a decrease in General Government expenses of \$56,000. Transportation expenses were increased by \$2.7 million. These expenses tend to fluctuate with weather and scheduled projects. In addition, \$570,000 of bond costs was charged to transportation expenses for the issuance of highway bonds in 2013. Public Health expenses increased \$745,000 as a result of increased Community Service grant funding from federal and state programs. Public safety expenses showed an increase of more than \$1,698,000 due predominately to salaries and related fringe benefits. Judicial expenses decreased \$185,000 in large part due to decreases in the allocated portion of lease costs that offset the \$281,000 increase in payroll and fringe costs.

Business-type Activities

Built as a joint-use military/civilian facility with Scott Air Force Base, the operating deficits of the Airport have included a significant amount of fixed costs required to keep the runway open as part of the compliance with FAA grant assurances and the joint-use agreement with Scott Air Force Base. These costs include, but are not limited to, fire safety and security, insurance, and runway maintenance. The Airport posted a \$5 million reduction in net position for 2013 of which \$6.3 was from depreciation. Airport revenues were down by \$2.1 million. The reduction in capital funding from the FAA and the state was \$2.2 million while there was a slight increase from charges from services. Costs increased \$684,000 from the prior year predominantly from personnel, interest, and depreciation.

Although sales of fuel decreased, the number of gallons sold increased slightly with passenger service available for 10 months during 2013. Oil prices continued to be volatile.

The Airport received capital grants for ramp and land improvements and equipment from the government surplus program totaling more than \$936,000, down from the \$3.1 million received in 2012. There were no operating grants in 2013.

Overall expenses were up \$684,000. Fuel purchases were down \$62,000, while other operating expenses (without regard to depreciation) increased by \$162,000. Financing costs increased by \$211,000. Depreciation of \$6.3 million accounted for 38% of Airport expenses.

Interest continues to be a major expense of the Airport. Interest expense was \$4,327,000 in 2013. Interest of \$185,000 was accrued as part of the accretion of the capital appreciation bonds and \$3,156,000 was charged for the current interest bonds and other debt. Amortization of deferred loss was \$1,076,000 in 2013. In addition, financing costs of \$90,000 were expensed in 2013 as part of the issuance of debt certificates in 2013.

The County continues to subsidize the Airport through operating transfers from other County funds. These transfers included cash of \$1,758,200 and costs paid on behalf of the Airport.

These costs included personnel benefit costs of \$361,000, insurance of \$480,000, and debt service of \$4,138,000. In addition the County made capital grant matching payments of \$66,000.

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 2013, St. Clair County's governmental funds reported combined ending fund balances of approximately \$161 million, an increase of \$11.5 million from 2012, after receipt of highway bond funds of nearly \$21.6 million and a transfer of \$6.8 million to the Airport. Approximately \$18 million (10%) constitutes an unassigned fund balance which is available for spending at the government's discretion. The remainder of the fund balance is non-spendable, restricted, committed, or assigned; not available for new spending because it has already been committed to pay debt service, insurance costs and claims, or other restrictive purposes as designated by statute or management.

The General Fund is the chief operating fund of St. Clair County. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$17 million, while the total fund balance was \$48 million. Certain prepaid expenses and inventory account for \$1.7 million of non-spendable fund balances while \$2.7 million is restricted for tort liability as required by state statute. The County has committed \$7.3 million to fund certain County capital projects in 2014, \$793,000 for GIS and automation expenses, \$83,000 for economic development, and another \$17.5 million for working cash that approximates six months operating expenses.

There was a \$3.8 million decrease in the fund balance of the General Fund. Revenues decreased by nearly \$1.6 million and expenditures were up by approximately \$2.4 million; net transfers to other funds were \$1.7 million higher in 2013. Property taxes fell by \$830,000, while state income, personal property tax replacement, and sales tax increased by \$557,000. Revenues for licenses and fees decreased \$1.1 million from 2012 due to the timing of the real estate tax sale for 2011 and reductions in fees collected for court fines and costs. Revenues from federal and state agencies decreased by \$63,000. Investment earnings dropped \$228,000 due largely to a market value decline at the end of 2013 on treasuries and fixed income investments.

The Transportation Fund had a fund balance of \$47.5 million at the end of 2013. This was up \$20.9 million from 2012. Revenues and expenditures fluctuate from year to year due to construction projects and participation by federal, state, and other local units. Revenues rose almost \$610,000; property taxes increased \$26,000, motor fuel tax were up \$286,000 while federal, state, and local contributions for projects went up \$425,000. Expenditures declined \$1.7 million. Transfers of \$1,970,000 were made to the debt service fund during the year to fund principal and interest payments on the outstanding highway construction bonds. Net bond proceeds of \$21.6 from a new bond added to the fund balance during 2013

The Lease Payable fund balance was lower by \$1,307,000. Property taxes increased \$616,000. Taxes are levied to fund capital lease payment requirements, operations, and maintenance on certain County owned property. Expenditures and transfers increased \$144,000.

The Debt Service Fund was down \$2.9 million for 2013. Revenues, consisting primarily of investment earnings, were down by \$88,000. Debt service payments increased by \$56,000. Certain debt service payments are offset by the transfer-in from the Transportation Fund for the

Highway Revenue bonds. Debt service payments for the Airport began in 2012. The payments made on their behalf of \$3 million were \$207,000 more than 2012 and are included as transfers.

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

The internal service activities are comprised of employee medical and unemployment insurance activities. The net result from these activities was a net income of \$205,000 compared to a \$146,000 in 2012. Premiums charged were increased by \$283,000 from 2012 while insurance premiums, claims and administrative costs up \$205,000.

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 \$7 million. Property taxes were lower than budgeted by \$5 million due to abatements. Investment earnings were \$21,000 more than expected. General licenses, fines and fees and revenues from other agencies were lower by \$1,032,000; revenues from federal and state agencies and miscellaneous revenues were \$85,000 more. State income, personal property replacement, and sales and other taxes were lower than expected by \$1,057,000.

As in prior years, the most significant variance in the General Fund is in general government expenditures. This difference of \$18.4 million relates predominantly in the Capital Replacement (\$13,070,000) and Tort (\$3,733,000) areas. The County budgeted the Capital Replacement Fund to fund possible Airport and County building improvements and 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 2013 was \$288,892,000, 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	
	2013	2012	2013	2012	2013	2012
Land and improvements	\$ 15,845	\$ 15,784	\$ 43,306	\$ 43,374	\$ 59,151	\$ 59,158
Buildings & support facilities	29,621	30,855	32,704	30,079	62,325	60,934
Construction in progress	3,452	2,774	4,366	3,331	7,818	6,105
Machinery and equipment	11,417	12,938	5,781	7,058	17,198	19,996
Projects in progress	123	69	-	-	123	69
Infrastructure-highway	72,454	69,144	-	-	72,454	69,144
Infrastructure-airport	-	-	65,044	68,869	65,044	68,869
Infrastructure in progress	4,779	7,744	-	-	4,779	7,744
Total	\$ 137,691	\$ 139,308	\$ 151,201	\$ 152,711	\$ 288,892	\$ 292,019

In 2013, the County was still completing various projects to comply with requirements specified by the Department of Justice under the ADA regulations, courtroom renovations, and other smaller improvements in the amount of \$3,452,000 while completing \$832,000 of improvements, most of which were in the courtrooms. Equipment additions were \$701,000. The County posted \$7.7 million of depreciation expense in 2013 for its governmental funds.

With the changes in the County, the Highway Department is constantly improving the road system. Major road improvements continued in 2013. Projects underway at the end of the year were \$4.8 million while the County completed \$6.7 million in road improvements during the year.

The Airport continued to make investments in equipment and facilities during 2013. A \$3.7 million expansion was made to the cargo facility that had been built in 2012. Other building improvements and equipment totaling nearly \$218,000 was acquired during the year. Construction in progress totaling \$4.4 million at the end of 2013 included an expansion of a ramp and \$1 million for the security system replacement. Both were funded predominantly by FAA funds. Depreciation expense for 2013 was \$6.3 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 increased by \$24,343,000 from 2012. At the end of the year, St. Clair County had outstanding long-term debt in the amount of \$126,546,000. Of the total, 65% of the debt was from the Airport activities.

St. Clair County's Long-term Obligations

(in thousands)

	Governmental Activities		Business-type Activities		Total	
	<u>2013</u>	<u>2012</u> (restated)	<u>2013</u>	<u>2012</u> (restated)	<u>2013</u>	<u>2012</u> (restated)
Capital lease obligations	\$ 11,095	\$ 11,018	\$ 13,324	\$ 13,849	\$ 24,419	\$ 24,867
Revenue bonds	31,037	9,827	-	-	31,037	9,827
Debt certificates	-	-	3,692	-	3,692	-
General obligation bonds	-	-	53,938	54,306	53,938	54,306
Due to Public Building						
Commission	-	-	11,730	11,694	11,730	11,694
Rent credits	-	138	-	-	-	138
Insurance claims	1,730	1,371	-	-	1,730	1,371
Total	\$ 43,862	\$ 22,354	\$ 82,684	\$ 79,849	\$ 126,546	\$ 102,203

Governmental Activities

Long-term obligations for governmental activities increased by \$21,508,000. In 2013 the County issued highway revenue bonds in the amount of \$30,300,000 plus \$772,000 in premiums. These bonds were used to refund outstanding bonds of \$8,225,000 and provide additional construction funds for highway projects. Principal payments on the old bonds were paid on January 1, 2013 in the amount of \$1,430,000. Highway funds were used to make principal payments on Highway revenue bonds. The Lease Payable fund is servicing capital lease obligation debt for County office buildings, animal control facilities, and public safety facilities. Principal reductions were \$16,000. Rent credits were completely amortized by August, 2013. The estimated long-term insurance claims increased by \$359,000. Changes are discussed in more detail in the notes to the financial statements.

Business-type Activities

The majority (65%) of the debt of the County relates to the Airport activities. The Airport made principal payments of \$475,000 on its general obligation debt. Accretion of interest on the general obligation capital appreciation bonds was \$185,000 with net amortization of premiums of \$78,000. Certain capital lease obligations were reduced by \$525,000 (funded by the Lease Payable Fund). In 2013, debt certificates were issued in the amount of \$3,693,000 (net of discounts) to finance the expansion of the cargo facility. The Public Building Commission advanced the Airport funds \$35,000 in 2013 for certain operating costs.

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 may be leveling.
- Supporting the Scott Air Force Base activities 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 2014.
- 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 sees possible growth in passenger and cargo activity, for both domestic and international, in the near term.

These factors were considered in preparing St. Clair County's budget for 2014.

The unreserved fund balance of the County has been sufficient to weather the economic downturn 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 not be able to increase budgets again and that general fund balances will continue to help finance Airport operations in the near future.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

ST. CLAIR COUNTY, ILLINOIS
Statement of Net Position
December 31, 2013

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash	\$ 1,129,484	\$ 137,416	\$ 1,266,900
Equity in cash and investment pool	156,007,423	98,830	156,106,253
Funds held in trust	-	18,847	18,847
Accounts receivable	9,915,680	404,679	10,320,359
Taxes receivable (net)	30,814,753	-	30,814,753
Interest receivable	103,065	65	103,130
Internal balances	3,711,987	(3,711,987)	-
Inventory	238,765	446,515	685,280
Prepaid expenditures	5,257,455	-	5,257,455
Total current assets	<u>207,178,612</u>	<u>(2,605,635)</u>	<u>204,572,977</u>
Restricted assets			
Equity in cash and investment pool	-	286,036	286,036
Funds held in trust	-	4,318,308	4,318,308
Interest receivable	-	32,420	32,420
Deposits	-	9,669	9,669
Total restricted assets	<u>-</u>	<u>4,646,433</u>	<u>4,646,433</u>
Noncurrent assets			
Capital assets	<u>137,691,066</u>	<u>151,201,382</u>	<u>288,892,448</u>
Total noncurrent assets	<u>137,691,066</u>	<u>151,201,382</u>	<u>288,892,448</u>
Deferred outflows of resources			
Deferred charges on refinancing	<u>2,212,705</u>	<u>8,157,825</u>	<u>10,370,530</u>
Total outflows of resources	<u>2,212,705</u>	<u>8,157,825</u>	<u>10,370,530</u>
Total assets and deferred outflows of resources	<u>\$ 347,082,383</u>	<u>\$ 161,400,005</u>	<u>\$ 508,482,388</u>

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Statement of Net Position
(continued)
December 31, 2013

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities			
Accounts payable	\$ 2,703,547	\$ 309,892	\$ 3,013,439
Accrued salaries	2,338,452	57,416	2,395,868
Accrued payroll related costs	3,931,128	92,054	4,023,182
Accrued interest	626,878	623,006	1,249,884
Funds held in escrow	39,518	30,215	69,733
Insurance claims	2,336,912	-	2,336,912
Unearned income	380,213	77,222	457,435
Debt certificates - current	-	150,000	150,000
General obligation bonds - current	-	1,110,000	1,110,000
Revenue bonds - current	1,090,000	-	1,090,000
Obligations under capital lease - current	16,238	547,803	564,041
Total current liabilities	<u>13,462,886</u>	<u>2,997,608</u>	<u>16,460,494</u>
Noncurrent liabilities			
Due to Public Building Commission	-	11,729,689	11,729,689
Debt certificates	-	3,542,635	3,542,635
General obligation bonds payable	-	52,828,103	52,828,103
Revenue bonds	29,946,604	-	29,946,604
Obligations under capital lease	11,079,087	12,775,927	23,855,014
Insurance claims	1,730,048	-	1,730,048
Total noncurrent liabilities	<u>42,755,739</u>	<u>80,876,354</u>	<u>123,632,093</u>
Total liabilities	<u>56,218,625</u>	<u>83,873,962</u>	<u>140,092,587</u>
Deferred inflows of resources			
Deferred taxes and related fees	31,953,242	-	31,953,242
Total liabilities and deferred inflows of resources	<u>88,171,867</u>	<u>83,873,962</u>	<u>172,045,829</u>
NET POSITION			
Net investment in capital assets	126,366,693	95,861,298	222,227,991
Restricted	103,540,099	-	103,540,099
Unrestricted	29,003,724	(18,335,255)	10,668,469
Total net position	<u>\$ 258,910,516</u>	<u>\$ 77,526,043</u>	<u>\$ 336,436,559</u>

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Statement of Activities
For the year ended December 31, 2013

<u>Function/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
	<u>Expenses</u>	<u>Services</u>	<u>Grants and Contributions</u>	<u>Activities</u>	<u>Activities</u>	
Governmental activities						
General government	\$ 20,934,778	\$ 8,552,631	\$ 1,281,963	\$ (11,100,184)	\$ -	\$ (11,100,184)
Public safety	36,854,562	7,581,747	2,791,920	(26,426,611)	-	(26,426,611)
Judicial	14,524,564	7,235,642	1,294,252	(5,994,670)	-	(5,994,670)
Transportation	12,852,720	344,259	5,164,941	(6,362,380)	-	(6,362,380)
Public health	12,066,051	1,836,469	6,445,624	(3,783,958)	-	(3,783,958)
Unallocated interest	715,654	-	-	(715,654)	-	(715,654)
Total governmental activities	97,948,329	25,550,748	16,978,700	(54,383,457)	-	(54,383,457)
Business-type activities						
Airport	16,545,735	3,532,400	-	-	(12,076,918)	(12,076,918)
Total	\$114,494,064	\$29,083,148	\$16,978,700	(54,383,457)	(12,076,918)	(66,460,375)
General revenues						
Taxes						
Property taxes				31,867,776	-	31,867,776
Sales taxes				8,847,553	-	8,847,553
Personal property replacement tax				2,632,453	-	2,632,453
State income tax				5,273,152	-	5,273,152
Other taxes				121,463	-	121,463
Unrestricted investment earnings				88,908	127,770	216,678
Miscellaneous				6,028	-	6,028
Gain (loss) on disposal of assets				(3,981)	(24,024)	(28,005)
Transfers				(6,803,259)	6,803,259	-
Total general revenues and transfers				42,030,093	6,907,005	48,937,098
Changes in net position				(12,353,364)	(5,169,913)	(17,523,277)
Net position - beginning (restated)				271,263,880	82,695,956	353,959,836
Net position - ending				\$ 258,910,516	\$ 77,526,043	\$ 336,436,559

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Balance Sheet
Governmental Funds
December 31, 2013

	General	Transportation Fund	Lease Payable Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	\$ 857,298	\$ 500	\$ -	\$ -	\$ 271,661	\$ 1,129,459
Equity in cash and investment pool	42,227,103	47,729,157	2,062,749	16,649,161	42,848,535	151,516,705
Accounts receivable	3,413,859	414,366	-	-	3,782,383	7,610,608
Taxes receivable	6,678,792	4,703,662	9,458,229	-	9,974,070	30,814,753
Interest receivable	31,166	22,518	4,673	14,059	27,589	100,005
Internal balances	4,730,771	115,145	-	-	1,036,039	5,881,955
Inventory	94,473	128,156	-	-	16,136	238,765
Prepaid expenditures	1,575,304	-	3,662,088	-	20,063	5,257,455
	<u>\$ 59,608,766</u>	<u>\$ 53,113,504</u>	<u>\$ 15,187,739</u>	<u>\$ 16,663,220</u>	<u>\$ 57,976,476</u>	<u>\$ 202,549,705</u>
LIABILITIES						
Accounts payable	\$ 577,963	\$ 754,779	\$ -	\$ -	\$ 1,290,320	\$ 2,623,062
Accrued salaries	1,748,544	127,405	-	-	455,990	2,331,939
Accrued payroll related costs	-	-	-	-	571,890	571,890
Internal balances	387,413	-	-	-	1,775,113	2,162,526
Funds held in escrow	39,518	-	-	-	-	39,518
Insurance claims	1,375,914	-	-	-	-	1,375,914
Unearned income	-	-	-	-	244,445	244,445
Total liabilities	<u>4,129,352</u>	<u>882,184</u>	<u>-</u>	<u>-</u>	<u>4,337,758</u>	<u>9,349,294</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred taxes and related fees	7,098,484	4,703,662	9,458,229	-	10,692,867	31,953,242
Total liabilities and deferred inflows of resources	<u>11,227,836</u>	<u>5,585,846</u>	<u>9,458,229</u>	<u>-</u>	<u>15,030,625</u>	<u>41,302,536</u>
FUND BALANCES						
Nonspendable	1,669,777	128,156	3,662,088	-	36,199	5,496,220
Restricted	2,710,607	47,399,502	2,067,422	6,214,690	43,696,931	102,089,152
Committed	25,636,537	-	-	4,275,400	-	29,911,937
Assigned	-	-	-	6,173,130	-	6,173,130
Unassigned	18,364,009	-	-	-	(787,279)	17,576,730
Total fund balances	<u>48,380,930</u>	<u>47,527,658</u>	<u>5,729,510</u>	<u>16,663,220</u>	<u>42,945,851</u>	<u>161,247,169</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 59,608,766</u>	<u>\$ 53,113,504</u>	<u>\$ 15,187,739</u>	<u>\$ 16,663,220</u>	<u>\$ 57,976,476</u>	<u>\$ 202,549,705</u>

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Reconciliation of Balance Sheet of Governmental Funds to
the Statement of Net Position
December 31, 2013

Total fund balances for governmental funds \$ 161,247,169

Total net position reported for governmental activities in the statement of net position is different because:

Receivables and funds held in trust applicable to the County's governmental activities that do not provide current financial resources are not reported as receivables in the funds. 2,234,016

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	\$ 40,049,497	
Machinery and equipment, net of accumulated depreciation	11,417,270	
Infrastructure, net of accumulated depreciation	82,649,922	
Construction and projects in process	<u>3,574,377</u>	
Total capital assets		137,691,066

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 position. Internal service funds net position is: 3,338,556

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 position.

Balances at December 31, 2013 are:

Insurance claims	(1,730,048)	
Compensated absences	(3,324,141)	
Accrued interest on debt	(626,878)	
Capital leases	(11,095,325)	
Bonds payable	(31,036,604)	
Deferred outflows of resources from refinancing	<u>2,212,705</u>	
Total long-term liabilities		<u>(45,600,291)</u>

Total net position of governmental activities \$ 258,910,516

ST. CLAIR COUNTY, ILLINOIS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2013

	General	Transportation Fund	Lease Payable Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 7,029,732	\$ 4,874,009	\$ 9,510,102	\$ -	\$ 10,453,933	\$ 31,867,776
Revenue from federal/state agencies	1,119,230	265,864	-	-	8,550,216	9,935,310
Earnings on investments	80,243	(13,834)	11,946	6,897	3,584	88,836
Licenses, permits, fines, fees and services	13,804,285	61,787	-	-	8,038,794	21,904,866
State income tax	5,495,140	-	-	-	-	5,495,140
Personal property replacement tax	2,632,453	-	-	-	-	2,632,453
Revenue from local agencies	485,056	776,991	33,307	-	2,576,930	3,872,284
Sales tax	8,858,292	-	-	-	-	8,858,292
Motor fuel tax	-	5,164,941	-	-	-	5,164,941
Other taxes	107,853	-	-	-	13,610	121,463
Miscellaneous revenues	8,477	-	-	-	-	8,477
	<u>39,620,761</u>	<u>11,129,758</u>	<u>9,555,355</u>	<u>6,897</u>	<u>29,637,067</u>	<u>89,949,838</u>
EXPENDITURES						
Current						
General government	19,733,551	-	7,776,220	-	9,638,025	37,147,796
Public safety	15,104,125	-	-	-	9,257,456	24,361,581
Judicial	5,248,759	-	-	-	2,378,300	7,627,059
Transportation	-	6,853,596	-	-	-	6,853,596
Public health	67,442	-	-	-	9,605,185	9,672,627
Capital outlay						
General government	85,343	-	557,569	-	9,023	651,935
Public safety	383,247	-	37,200	-	138,223	558,670
Judicial	-	-	768,296	-	114,913	883,209
Transportation	-	2,935,071	-	-	-	2,935,071
Public health	-	-	-	-	5,045	5,045
Debt service						
General government	-	-	568,888	-	-	568,888
Public safety	-	-	-	-	79,707	79,707
Transportation	-	570,717	-	1,918,109	-	2,488,826
	<u>40,622,467</u>	<u>10,359,384</u>	<u>9,708,173</u>	<u>1,918,109</u>	<u>31,225,877</u>	<u>93,834,010</u>
Excess of revenues over (under) expenditures	<u>(1,001,706)</u>	<u>770,374</u>	<u>(152,818)</u>	<u>(1,911,212)</u>	<u>(1,588,810)</u>	<u>(3,884,172)</u>
Other financing sources (uses):						
Proceeds from bonds	-	30,300,000	-	-	-	30,300,000
Proceeds from bond premium	-	771,654	-	-	-	771,654
Payments to refunding bond escrow agent	-	(8,930,054)	-	-	-	(8,930,054)
Operating transfers-in	136,900	-	-	1,970,375	527,908	2,635,183
Operating transfers-out	(2,951,435)	(1,970,375)	(1,154,023)	(2,983,950)	(378,659)	(9,438,442)
Total other financing sources (uses)	<u>(2,814,535)</u>	<u>20,171,225</u>	<u>(1,154,023)</u>	<u>(1,013,575)</u>	<u>149,249</u>	<u>15,338,341</u>
Net changes in fund balances	<u>(3,816,241)</u>	<u>20,941,599</u>	<u>(1,306,841)</u>	<u>(2,924,787)</u>	<u>(1,439,561)</u>	<u>11,454,169</u>
Beginning fund balances	<u>52,197,171</u>	<u>26,586,059</u>	<u>7,036,351</u>	<u>19,588,007</u>	<u>44,385,412</u>	<u>149,793,000</u>
Ending fund balances	<u>\$ 48,380,930</u>	<u>\$ 47,527,658</u>	<u>\$ 5,729,510</u>	<u>\$ 16,663,220</u>	<u>\$ 42,945,851</u>	<u>\$ 161,247,169</u>

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, 2013

Net change in fund balances - total governmental funds \$ 11,454,169

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	\$ 2,265,325	
Infrastructure	<u>3,813,399</u>	6,078,724
Depreciation expense in the current period		
Land, buildings, and equipment	\$ (4,280,933)	
Infrastructure	<u>(3,407,022)</u>	(7,687,955)
Net effect of disposal transactions		(7,996)

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	(663,135)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bond proceeds	\$ (22,257,173)	
Principal payments on bonds	1,430,000	
Amortization of premiums, discounts, and deferred charges	(25,393)	
Amortization of capital lease costs	(143,915)	
Change in accrued interest	(393,003)	
Amortization of rent credits	<u>137,878</u>	(21,251,606)

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	(359,262)
Change in compensated absences	(112,046)

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

195,743

Changes in net position of governmental activities	<u>\$ (12,353,364)</u>
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See Note 9 for further explanation of reclassifications and adjustments.

ST. CLAIR COUNTY, ILLINOIS
Statement of Net Position
Proprietary Funds
December 31, 2013

	Enterprise Fund MidAmerica St. Louis Airport	Internal Service Funds
ASSETS		
Current assets		
Cash	\$ 137,416	\$ 25
Equity in cash and investment pool	98,830	4,490,718
Funds held in trust	18,847	-
Accounts receivable	404,679	71,056
Interest receivable	65	3,060
Internal balances	(3,711,987)	3,447
Inventory	446,515	-
Prepaid expenditures	-	-
Total current assets	<u>(2,605,635)</u>	<u>4,568,306</u>
Restricted assets		
Equity in investment pool	286,036	-
Funds held in trust	4,318,308	-
Interest receivable	32,420	-
Deposits	9,669	-
Total restricted assets	<u>4,646,433</u>	<u>-</u>
Noncurrent assets		
Capital assets	<u>151,201,382</u>	<u>-</u>
Deferred outflows of resources		
Deferred charges on refinancing	<u>8,157,825</u>	<u>-</u>
Total assets	<u>161,400,005</u>	<u>4,568,306</u>
LIABILITIES		
Current liabilities		
Accounts payable	309,892	80,485
Accrued salaries	57,416	6,513
Accrued payroll related costs	92,054	35,097
Accrued interest	623,006	-
Insurance claims	-	960,998
Unearned income	77,222	135,768
Funds held in escrow	30,215	-
General obligation bonds - current	1,110,000	-
Debt certificates - current	150,000	-
Obligations under capital lease - current	<u>547,803</u>	<u>-</u>
Total current liabilities	<u>2,997,608</u>	<u>1,218,861</u>

ST. CLAIR COUNTY, ILLINOIS
Statement of Net Position
Proprietary Funds
(continued)
December 31, 2013

	Enterprise Fund MidAmerica St. Louis Airport	Internal Service Funds
Noncurrent liabilities		
Due to Public Building Commission	\$ 11,729,689	\$ -
General obligation bonds	52,828,103	-
Debt certificates	3,542,635	-
Obligations under capital lease	12,775,927	-
Total noncurrent liabilities	<u>80,876,354</u>	<u>-</u>
Total liabilities	<u>83,873,962</u>	<u>1,218,861</u>
NET POSITION		
Net investment in capital assets	100,461,024	-
Restricted	-	328,609
Unrestricted	<u>(22,945,870)</u>	<u>3,020,836</u>
Total net position	77,515,154	<u>\$ 3,349,445</u>
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise fund	<u>10,889</u>	
Net position of business-type activities	<u>\$ 77,526,043</u>	

ST. CLAIR COUNTY, ILLINOIS
Statement of Revenues, Expenses,
and Changes in Net Position
Proprietary Funds
For the year ended December 31, 2013

	Enterprise Fund MidAmerica St. Louis Airport	Internal Service Funds
CHARGES FOR GOODS AND SERVICES		
Landing fees and terminal area use charges	\$ 50,138	\$ -
Rents, concessions and other services	763,242	-
Other	36,210	138
Fuel sales (less costs of \$1,989,377)	130,667	-
Insurance premiums	-	10,766,385
Total operating revenues	<u>980,257</u>	<u>10,766,523</u>
OPERATING EXPENSES		
Operating expenses	3,734,275	701,691
Insurance claims and premiums	-	9,650,541
Post-employment benefit contribution	-	209,317
Depreciation and amortization	6,327,202	-
Total operating expenses	<u>10,061,477</u>	<u>10,561,549</u>
Operating income (loss)	<u>(9,081,220)</u>	<u>204,974</u>
NONOPERATING REVENUES (EXPENSES)		
Investment earnings	127,770	66
Interest expense	(4,326,813)	-
Bond issue costs	(90,050)	-
Passenger facility charges	37,087	-
Loss on disposal of assets	(24,024)	-
Land leases (net of expenses)	438,364	-
Total nonoperating expenses	<u>(3,837,666)</u>	<u>66</u>
Net income (loss)	(12,918,886)	205,040
Transfers-in	6,803,259	-
Capital contributions	936,417	-
Change in net assets	(5,179,210)	205,040
Net position - beginning of year (restated)	<u>82,694,364</u>	<u>3,144,405</u>
Net position - end of year	77,515,154	<u>\$ 3,349,445</u>
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise fund	<u>10,889</u>	
Net position - business-type activities	<u>\$ 77,526,043</u>	

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Statement of Cash Flows
Proprietary Funds
For the year ended December 31, 2013

	<u>Enterprise Fund</u> MidAmerica St. Louis Airport	<u>Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments from customers	\$ 2,553,476	\$ 1,509,168
Payments from interfund services provided	-	9,312,278
Payments to vendors	(3,728,180)	(9,786,079)
Payments to employees	(971,188)	(188,099)
Net cash provided (used) by operating activities	<u>(2,145,892)</u>	<u>847,268</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers from general fund	<u>1,758,200</u>	-
Net cash provided (used) by non-capital financing activities	<u>1,758,200</u>	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Repayment to affiliate	(34,807)	-
Interest paid	(100,768)	-
Passenger facility charges	3,523	-
Proceeds from disposal of assets	60,898	-
Capital grant contributions	741,353	-
Capital expenditures	<u>(711,191)</u>	-
Net cash provided (used) by capital and related financing activities	<u>(40,992)</u>	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment interest	155	19,869
Redemption of investments	-	(867,137)
Non-aeronautical land revenues	537,137	-
Non-aeronautical land expenses	<u>(87,315)</u>	-
Net cash provided (used) by investing activities	<u>449,977</u>	<u>(847,268)</u>
Net increase (decrease) in cash and cash equivalents	21,293	-
Cash and cash equivalents - beginning of year	<u>116,123</u>	<u>25</u>
Cash and cash equivalents - end of year	<u>\$ 137,416</u>	<u>\$ 25</u>

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Statement of Cash Flows
Proprietary Funds
(continued)
For the year ended December 31, 2013

	<u>Enterprise Fund</u> <u>MidAmerica</u> <u>St. Louis Airport</u>	<u>Internal</u> <u>Service</u> <u>Funds</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH		
PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (9,081,220)	\$ 204,974
Adjustments to reconcile		
Depreciation and amortization	6,327,202	-
Operating costs paid by capital contributions	840,985	-
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	(48,024)	418,830
Decrease (increase) in inventory	26,720	-
Decrease (increase) in prepaid expenditures	13,439	-
Decrease (increase) in due from other funds	-	(3,183)
Increase (decrease) in advance to Public Building		
Commission	70,105	-
Increase (decrease) in accounts payable	(12,787)	30,990
Increase (decrease) in accrued wages and related costs	11,877	10,536
Increase (decrease) in other liabilities	-	171,504
Increase (decrease) in funds held in escrow	4,369	-
Increase (decrease) in unearned income	(322,986)	13,617
Increase (decrease) in due to other funds	24,428	-
Net cash provided (used) by operating activities	<u>\$ (2,145,892)</u>	<u>\$ 847,268</u>

SCHEDULE OF NON-CASH FINANCING AND INVESTING ACTIVITIES

Interest accreted on bonds and leases (net of amortization)	\$ 107,566	-
Debt refinancing		
Cost of issuance	90,050	-
Proceeds used for construction	3,602,423	-
Capital contributions		
Capital assets	66,401	-
Capital lease principal and interest	1,154,023	-
Bond principal and interest	2,983,650	-
Capital payments made by the St Clair County		
for the Airport	346,889	-
Increase (decrease) in market value of investments	(1,804)	(19,847)

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Statement of Net Position
Fiduciary Funds
December 31, 2013

	Agency Funds	Post- Employment Health Insurance Trust
ASSETS		
Cash	\$ 5,829,684	\$ -
Investments	1,154,609	2,158,214
Equity in cash and investment pool	9,563,158	1,034
Accounts receivable	1,427,591	-
Interest receivable	5,365	7,366
	<u>17,980,407</u>	<u>2,166,614</u>
Total assets		
	<u>17,980,407</u>	<u>2,166,614</u>
LIABILITIES		
Due to taxing districts	608,570	-
Held pending protested tax settlement	626,077	-
Funds held in escrow	16,745,760	-
	<u>17,980,407</u>	<u>-</u>
Total liabilities		
	<u>17,980,407</u>	<u>-</u>
NET POSITION		
Restricted for OPEB	<u>\$ -</u>	<u>\$ 2,166,614</u>

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Statement of Changes in Net Position
Fiduciary Funds
For the year ended December 31, 2013

	Post- Employment Health Insurance Trust
ADDITIONS	
Contributions	
Employer	\$ 209,317
Total contributions	<u>209,317</u>
Investment income	
Interest, dividends and other investment earnings	93,746
Net appreciation in fair value of assets	<u>107,076</u>
Total investment earnings	200,822
Less investment expense	<u>11,371</u>
Net investment earnings	<u>189,451</u>
Total additions	<u>398,768</u>
DEDUCTIONS	
Benefits	<u>-</u>
Total deductions	<u>-</u>
Change in net position	<u>398,768</u>
Net position - restricted for OPEB. January 1, 2013	<u>1,767,846</u>
Net position - restricted for OPEB. December 31, 2013	<u><u>\$ 2,166,614</u></u>

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financial Statements
December 31, 2013

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

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

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, ILLINOIS
Notes to the financial statements (continued)

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

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

Governmental Funds

- General Fund is the government's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
- Special Revenue Funds account for the proceeds of specific revenue sources which are restricted or committed to finance specific functions or activities of the County other than debt service or capital projects.
- Debt Service Fund accounts for the accumulation of resources that are restricted, committed or assigned to the payment of general long-term debt principal and interest not accounted for in another fund.

Proprietary Funds

- Internal Service Funds account for the financing of the 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.

The County reports the following major governmental funds:

General fund (as described above)

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

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

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

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

The 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.

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. In 2013, lives of certain Airport assets were reduced increasing depreciation expense by \$335,413 in the current period and will impact depreciation by varying amounts in future periods.

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

Budgetary information

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

Budgets are for the calendar year and include various Highway funds that are budgeted by project, although they lapse at year-end and require 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 2012 property taxes were payable on July 17, 2013 and September 4, 2013 and recognized as revenue in 2013.

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."

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

Inventories and prepaid items

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

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

Capital assets

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

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County only has one item that qualifies for reporting in this category. It is the deferred charge on refinancing. A deferred charge on refinancing results from the difference in the carrying value of refinanced debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position sometimes includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of

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

resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. As previously stated, property taxes attach an enforceable lien on property as of January 1 and are levied one year in arrears. Accordingly, property tax revenues and related fees are accrued but revenue is recorded as a deferred inflow.

Bond issuance costs and capitalized interest

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

Compensated absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits, however these amounts may be limited. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. 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 are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable premiums or discounts and amortized over the term of the debt.

Impact of recently issued accounting principals

Recently issued and adopted accounting pronouncement

During the year ended December 31, 2013, changes were made to reflect the effect of implementing GASB Statement No. 65 – *Items Previously Reported as Assets and Liabilities*. This statement improves financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and the deferred inflows of resources to ensure consistency in financial reporting.

As a result of the implementation of GASB Statement No. 65, prior year "deferred charges" for bond costs have been expensed as prior period adjustments. This statement requires that bond costs be shown as a current-period outflow of resources (expense). In addition, losses on refinancing have also been retroactively restated. These prior period adjustments are shown as a change in the beginning net position in the Statement of Activities.

	Governmental Activities	Business-type Activities
Bond costs	\$ (90,679)	\$ (576,349)
Retroactive adjustment for lease refinancing	1,083,167	(144,948)
Increase (decrease) in net position	<u>\$ 992,488</u>	<u>\$ (721,297)</u>

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

In addition, \$8,157,825 representing the unamortized difference between the reacquisition price and the net carrying value of previous refundings and \$2,212,705 of the current year's refunding has been reported as "deferred outflows of resources" and will be recognized as a component of interest expense over the remaining life of the refunded debt or the new debt, whichever is shorter.

Recently issued accounting pronouncements

In June 2012, the GASB issued Statement 67, Financial Reporting for Pension Plans—an amendment of GASB Statement 25. GASB 67 improves financial reporting by state and local governmental pension plans. The requirements of this Statement will improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by the pension plans that are within its scope. This Statement is effective for financial statements for fiscal years beginning after June 15, 2013. Management is currently evaluating the impact of the adoption of this statement on the County's financial statements.

In June 2012, the GASB issued Statement 68, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement 27. GASB 68 improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement is effective for fiscal years beginning after June 15, 2014. Management is currently evaluating the impact of the adoption of this statement on the County's financial statements.

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 Position	Fiduciary Funds Statement of Net Position	Total
Cash	\$ 1,266,900	\$ 5,829,684	\$ 7,096,584
Investments	-	3,312,823	3,312,823
Pooled cash and investments	156,392,289	9,564,192	165,956,481
	<u>\$ 157,659,189</u>	<u>\$ 18,706,699</u>	<u>\$ 176,365,888</u>

Of the total cash and investments, cash deposits are \$25,113,923; investments account for \$151,202,899 of the total while remaining balances are undeposited cash holdings.

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

Investments, pooled and non-pooled, held by the County are summarized as follows:

	Fair Value	Maturity
Certificates of deposit - non-negotiable	\$ 69,763,567	0 – 6 mos
Certificates of deposit - non-negotiable	1,373,195	6 – 12 mos
Certificates of deposit - non-negotiable	115,610	1 – 3 years
Repurchase agreements	1,920,000	current
Money markets	530,271	current
Investments held by brokers/dealers:		
Certificates of deposit - negotiable	5,312,023	0 – 6 mos
Certificates of deposit - negotiable	4,343,907	6 – 12 mos
Certificates of deposit - negotiable	19,964,288	1 – 3 years
Certificates of deposit - negotiable	22,864,445	3 – 5 years
Money market - government funds	567,300	current
U.S. Government obligations	1,152,358	0 – 6 mos
U.S. Government obligations	4,718,757	1 – 3 years
U.S. Government obligations	8,826,560	3 – 5 years
U.S. Government security mutual fund	3,979,505	current
Investments in Illinois Funds Investment Pool	3,612,899	current
	<u>\$ 149,044,685</u>	
Restricted investments		
Investments held by brokers/dealers:		
U.S. Government obligations	\$ 145,181	0 – 6 mos
U.S. Government obligations	76,531	6 – 12 mos
U.S. Government obligations	486,483	1 – 3 years
U.S. Government obligations	499,981	3+ years
U.S. Treasury money market	108,133	current
Equity securities-international	34,256	current
Mutual funds-international	33,074	current
Equity securities	761,194	current
Mutual funds	13,381	current
	<u>\$ 2,158,214</u>	

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

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

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: \$38,970,356 in Bank of Edwardsville and \$17,656,601 in Citizen's Community Bank.

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

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, 2013, none of the County's bank balances of \$155,178,618 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

Accounts receivable consists of the following:

Governmental Activities	
Sales, income, motor fuel & other tax revenue	\$ 4,295,639
Service and fee revenues	2,238,937
Other	83,482
Grant and intergovernmental revenues	3,287,299
Related parties	10,323
	<u>\$ 9,915,680</u>
Business-type Activities	
Trade receivables	\$ 102,120
Grant and intergovernmental revenues	286,295
Other	16,264
	<u>\$ 404,679</u>

The Airport uses the direct write-off method for uncollectible amounts. During 2013, there were no write-offs.

Property taxes are collected one year in arrears. Although levied in 2013, property taxes will be collected in mid-2014. Accordingly property taxes are reported as unearned revenue because they are not available to liquidate liabilities of the current period nor are they intended to do so. Property taxes receivable are as follows:

Current and delinquent taxes	\$ 31,022,469
Less allowance for uncollectible amounts	207,716
Net taxes receivables	<u>\$ 30,814,753</u>

The Airport derives a substantial portion of its revenues from non-cancelable operating leases with various tenants. The Airport property's cost under these operating leases, consisting primarily of land, structures, and improvements, at December 31, 2013 was \$21,107,816 with a carrying value of \$18,556,348. Depreciation for 2013 was \$569,167. Rentals included in operation for 2013 were \$713,204.

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

The future minimum rentals to be received under these leases as of December 31, 2013 are as follows:

2014	\$ 689,475
2015	690,288
2016	690,288
2017	690,288
2018	690,288
2019-2023	2,341,539
2024-2028	1,634,789
2029-2033	1,409,260
2033-2035	422,779
Rental income under non-cancellable operating leases	<u>\$ 9,258,994</u>

4. Capital assets

Capital asset activity for 2013 was as follows:

Governmental activities

	January 1, 2013	Additions	Deletions	December 31, 2013
Assets not being depreciated:				
Land	\$ 10,428,069	\$ -	\$ -	\$ 10,428,069
Construction in progress	2,774,016	1,382,502	704,792	3,451,726
Projects in progress	69,575	78,521	25,445	122,651
Infrastructure				
Construction in progress	7,743,837	3,751,916	6,717,048	4,778,705
Land	5,355,994	61,483	-	5,417,477
	<u>26,371,491</u>	<u>5,274,422</u>	<u>7,447,285</u>	<u>24,198,628</u>
Assets being depreciated:				
Buildings	72,051,953	832,927	-	72,884,880
Equipment, furniture, and vehicles	32,452,747	701,612	666,564	32,487,795
Infrastructure - Roads	109,577,618	6,717,048	-	116,294,666
	<u>214,082,318</u>	<u>8,251,587</u>	<u>666,564</u>	<u>221,667,341</u>
Total capital assets	<u>240,453,809</u>	<u>13,526,009</u>	<u>8,113,849</u>	<u>245,865,969</u>
Less accumulated depreciation for:				
Buildings	41,197,363	2,066,089	-	43,263,452
Equipment, furniture and vehicles	19,514,249	2,214,844	658,568	21,070,525
Infrastructure	40,433,904	3,407,022	-	43,840,926
	<u>101,145,516</u>	<u>7,687,955</u>	<u>658,568</u>	<u>108,0174,903</u>
Government activity capital assets, net	<u>\$139,308,293</u>	<u>\$ 5,838,054</u>	<u>\$ 7,455,281</u>	<u>\$ 137,691,066</u>

Land and buildings totaling \$43,903,107 are held under capital lease and accumulated depreciation on these assets amounted to \$33,156,468 at December 31, 2013.

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

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

General government	\$ 1,220,941
Judicial	595,381
Transportation	3,641,892
Public safety	2,077,521
Public health	152,220
	<u>\$ 7,687,955</u>

Business-type activities – MidAmerica St. Louis Airport

	January 1, 2013	Additions	Deletions	December 31, 2013
Assets not being depreciated:				
Land	\$ 42,993,088	\$ -	\$ -	\$ 42,993,088
Construction in progress	3,330,767	1,035,557	-	4,366,324
	<u>46,323,855</u>	<u>1,035,557</u>	<u>-</u>	<u>47,359,412</u>
Assets being depreciated:				
Airfields	90,205,216	-	-	90,205,216
Land improvements	763,266	-	-	763,266
Ramps and aprons	17,373,841	-	-	17,373,841
Passenger terminal	18,254,370	-	-	18,254,370
Cargo terminal	5,765,184	3,679,425	-	9,444,609
Tenant facilities	10,316,673	131,245	-	10,447,918
Utilities	9,187,298	-	-	9,187,298
Roads and parking	6,862,822	-	-	6,862,822
Support facilities	6,378,108	-	-	6,378,108
Equipment	15,216,149	86,676	1,196,905	14,105,920
	<u>180,322,927</u>	<u>3,897,346</u>	<u>1,196,905</u>	<u>183,023,368</u>
Total capital assets	226,646,782	4,932,903	1,196,905	230,382,780
Less: Accumulated depreciation	73,936,180	6,327,202	1,081,984	79,181,398
Business-type activity capital assets, net	<u>\$ 152,710,602</u>	<u>\$ (1,394,299)</u>	<u>\$ 114,921</u>	<u>\$ 151,201,382</u>

Depreciation charged to operations was \$6,327,202 for 2013. Land of \$17,529,127 is held under capital lease.

5. Interfund receivables, payables, and transfers

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

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

The composition of interfund balances at December 31, 2013 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Non-major governmental funds	\$ 1,007,895
General Fund	MidAmerica St. Louis Airport	3,722,876
Transportation Fund	General Fund	113,621
Transportation Fund	Non-major governmental funds	1,524
Non-major governmental Funds	Non-major governmental funds	765,695
Non-major governmental Funds	General Fund	270,344
		5,881,955
Internal Service funds	General Fund	3,447
		<u>\$ 5,885,402</u>

Advances to other funds made in prior and current years where the timing of repayment is not determinable have been eliminated and not reported on the face of the financial statements.

The amounts that have been eliminated are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	MidAmerica St. Louis Airport	<u>\$ 45,051,447</u>

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:

<u>Transfers-out</u>	<u>Transfers-in</u>	<u>Governmental Funds</u>	<u>Business-type Funds</u>
General fund	MidAmerica St. Louis Airport	\$ -	\$ 2,480,008
	Non-major governmental funds	471,427	-
Transportation fund	Debt Service fund	1,970,375	-
Lease payable	MidAmerica St. Louis Airport	-	1,154,023
Debt Service fund	MidAmerica St. Louis Airport	-	2,983,950
Non-major governmental funds	General fund	136,900	-
	Non-major governmental funds	56,481	-
	MidAmerica St. Louis Airport	-	185,278
		\$ 2,635,183	\$ 6,803,259

In the governmental funds financial statements, total transfers-out exceeded transfers-in by \$6,803,259 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 \$1,758,200 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.

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

Capital lease obligations

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. Net capital lease obligations currently outstanding are as follows:

<u>Purpose</u>	<u>Interest rates</u>	<u>Amount</u>
Governmental Activities		
Buildings and improvements	5.00%	\$ 11,095,325
Business-type Activities		
Airport improvements	4.60%	13,323,730
		<u>\$ 24,419,055</u>

These obligations are considered direct financing leases and are recognized as expense ratably over the term of the agreement.

Governmental Activities

At April 18, 2013, as part of refinancing certain debt and issuing new bonds totaling \$1,750,000, 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, emergency telephone system, 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 that are due November 1 of each year. This lease term remains through December 31, 2041.

The new agreement resulted in a deferred loss on refinancing of \$2,015,438, the difference between the reacquisition price of the new lease and the net carrying amount of the old lease. It is being charged to the operations through 2025. The Commission completed the 2005 advance refunding to realize savings on current interest rates. The Commission realized an economic gain (difference between the present values of the old and new debt service payments) of \$65,334. Future minimum lease payments as of December 31, 2013, were as follows:

<u>Year</u>	<u>Total Lease</u>	<u>Operations & Maintenance</u>
2014	\$ 10,593,594	\$ 10,025,156
2015	10,831,101	10,263,113
2016	11,070,372	10,502,834
2017	11,312,025	10,740,012
2018	11,561,666	10,990,254
2019-2023	59,854,024	56,383,384
2024-2028	52,414,782	49,011,484
2029-2033	53,944,292	49,000,000
2034-2038	56,296,006	49,000,000
2039-2041	29,400,000	29,400,000
	<u>307,277,862</u>	<u>\$ 285,316,237</u>
Less: Amount representing executory cost (i.e., utilities, maintenance, etc.)	285,316,237	
Less: Amount representing interest and amortization	10,866,300	
Obligation under capital lease	<u>\$ 11,095,325</u>	

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

Rent payments under these leases were \$9,708,173 recorded in the Lease Payable Fund, \$78,253 included in the Emergency Telephone expenses, \$15,358 in the Veterans Assistance expenses, \$50,000 in the General Fund expenses, and \$240,754 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 \$269,240 which includes \$172,133 from the Intergovernmental Grants Department. At such time that operating lease revenues are insufficient to meet debt service and executory cost requirements, the County will no longer abate this portion of the lease levy. The unamortized deferred charges on refinancing were \$1,855,626 at December 31, 2013. Interest expense, including the amortization of the deferred charges, charged to governmental activities for these leases was \$712,803 in 2013.

Business-type activities

The County also financed certain Airport property acquisitions through leases with the Public Building Commission. At December 28, 2011 the Public Building Commission issued bonds totaling \$13,980,000. The Commission and the County entered into a new lease agreement as part of the refinancing of the previous bonds. 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 that are due November 1 of each year.

<u>Year</u>	<u>Lease</u>
2014	\$ 1,152,523
2015	1,149,938
2016	1,150,288
2017	1,153,048
2018	1,152,708
2019-2023	5,123,089
2024-2028	5,209,080
2029-2031	3,695,423
	19,786,097
Less: Amount representing interest and amortization	6,462,367
Obligation under capital lease	\$ 13,323,730

The capital lease payment for 2013 for the benefit of the Airport was \$1,154,023 and has been recorded as a transfer from the Lease Payable Fund to the Enterprise Fund. The unamortized deferred charges on refinancing were \$1,201,344 at December 31, 2013. Capital lease interest, which includes amortization, charged to Airport operations was \$1,063,228.

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. The agreement expired in August, 2013. Should the seller been forced to surrender its leased space to the County, unused rent credits would have been payable. The liability was being amortized at \$20,104 per month with interest computed at approximately 8.15%. Imputed interest expense for 2013 was \$2,851.

Revenue bonds

Government activities

In April 2013, the County issued \$28,375,000 in Highway Revenue Bonds, Series 2013A and \$1,925,000 Taxable Highway Revenue Refunding Bonds, Series 2013B to advance refund

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

\$8,225,000 of the outstanding 2005 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 2005 Series bond liability for those bonds has been removed from the balance sheet and will be paid by the escrow agent. At December 31, 2013, the outstanding balance of defeased debt was \$8,225,000.

The advance refunding resulted in a deferred loss on refinancing of \$432,066, the difference between the reacquisition price and the net carrying amount of the old debt. It is being charged to the operations through 2017. The County completed the 2005 advance refunding to realize savings on current interest rates as part of bonding for new capital. The County realized an economic loss (difference between the present values of the old and new debt service payments) of \$370,935.

These bonds are limited obligations of the County with a claim for payment solely from Highway Revenues (Motor Fuel Tax, County Highway 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 while principal is due each January 1.

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

Year		Principal	Interest	Total
2014		\$ -	\$ 1,226,156	\$ 1,226,156
2015		-	1,226,156	1,226,156
2016	5.00%	650,000	1,209,906	1,859,906
2017	5.00%	785,000	1,174,032	1,959,032
2018	5.00%	820,000	1,133,906	1,953,906
2019-2023	4.00%-5.00%	4,715,000	5,072,005	9,787,005
2024-2028	3.625%-4.00%	5,735,000	4,039,878	9,774,878
2029-2033	4.00%-4.464%	6,985,000	2,743,995	9,728,995
2034-2038	4.466%-4.472%	8,685,000	1,003,969	9,688,969
		<u>\$ 28,375,000</u>	<u>\$ 18,830,003</u>	<u>\$ 47,205,003</u>

The carrying value of the bonds is as follows:

Outstanding bonds	\$ 28,375,000
Unamortized premium	729,285
	<u>\$ 29,104,285</u>

Interest rates for the Taxable Highway Revenue Bonds, Series 2013B range from 1.00% to 2.00%, and principal is due each January 1 as follows:

Year		Principal	Interest	Total
2014	1.00%	\$ 1,090,000	\$ 22,150	\$ 1,112,150
2015	2.00%	735,000	9,350	744,350
2016	2.00%	100,000	1,000	101,000
		<u>\$ 1,925,000</u>	<u>\$ 32,500</u>	<u>\$ 1,957,500</u>

The carrying value of the bonds is as follows:

Outstanding bonds	\$ 1,925,000
Unamortized premium	7,319
	<u>\$ 1,932,319</u>

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

The Series 2013A Bonds due on or after January 1, 2024, are subject to redemption prior to maturity at the option of the County in 2023 or thereafter at par plus accrued interest. The Series 2013B bonds are not subject to optional redemption prior to maturity.

The unamortized deferred charge on refinancing was \$357,080 at December 31, 2013. Total interest, net of amortization of premiums and refinancing losses, charged to operations for the Transportation functions was \$1,022,077.

General obligation 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 October 1, 2016 and 2017 were not subject to optional redemption prior to maturity. The escrow balance at December 31, 2013 was \$4,318,309. The accreted value of defeased bonds was \$7,857,282 at the end of the year.

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	\$ 1,732,482
2017	777,474	1,347,526	2,125,000	1,729,219
	<u>\$ 1,556,413</u>	<u>\$ 2,583,587</u>	<u>\$ 4,140,000</u>	<u>\$ 3,461,701</u>

The 2009 debt (General Obligation Refunding 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, Passenger Facility Charges, and net Airport revenues derived from the operation of the Airport. The balance of Passenger Facility Charges held at December 31, 2013 was \$287,151.

Interest is payable each April 1 and October 1 while principal is due each October 1 as follows:

Year		Principal	Interest	Total
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		-	2,377,400	2,377,400
2018	4.50%	2,250,000	2,377,400	4,627,400
2019-2023	4.50% - 5.25%	14,960,000	10,059,125	25,019,125
2024-2028	5.25%	23,450,000	5,418,425	28,868,425
2029	5.00%	6,035,000	301,750	6,336,750
		<u>\$ 49,630,000</u>	<u>\$ 27,853,925</u>	<u>\$ 77,483,925</u>

The bonds started maturing on October 1, 2013 and are payable through 2029. Interest is payable at rates of 3.75% to 5.25% depending on maturity. 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	\$ 49,630,000
Unamortized premium	846,402
	<u>\$ 50,476,402</u>

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

Debt service for these bonds was paid from the County Debt Service Fund in 2013 and is recorded as a transfer to the Airport for financial reporting purposes. The unamortized deferred charge on refinancing was \$6,956,480 at December 31, 2013. Total interest, net of amortization of premiums and refinancing losses, charged to operations for the General Obligation Refund bond issues amounted to \$3,331,313.

Debt Certificates

In April, 2013, the County issued \$3,695,000 Taxable General Obligation Debt Certificates (Limited Tax), Series 2013 to construct a storage building at MidAmerica St. Louis Airport. The bonds are general obligations of the County. Interest rates for the Certificates range from 2.00% to 4.75%. Interest payments are due June 30 and December 30 and principal is due each December 30 as follows:

Year		Principal	Interest	Total
2014		\$ 150,000	\$ 143,525	\$ 293,525
2015		145,000	140,525	285,525
2016	5.00%	150,000	137,625	287,625
2017	5.00%	150,000	134,625	284,625
2018	5.00%	155,000	131,625	286,625
2019-2023	4.00%-5.00%	880,000	571,325	1,451,325
2024-2028	3.625%-4.00%	1,045,000	385,486	1,430,486
2029-2033	4.00%-4.464%	1,020,000	123,500	1,143,500
		<u>\$ 3,695,000</u>	<u>\$ 1,768,236</u>	<u>\$ 5,463,236</u>

The carrying value of the bonds is as follows:

Outstanding bonds	\$ 3,695,000
Unamortized discount	<u>2,365</u>
	<u>\$ 3,692,635</u>

Changes in long-term liabilities

The following is a summary of long-term obligation transactions during 2013.

Governmental activities

	Beginning Balance (restated)	Additions	Deletions	Ending Balance	Due within one year
Revenue bonds	\$ 9,655,000	\$30,300,000	\$ 9,655,000	\$ 30,300,000	\$ 1,090,000
Premium	171,959	771,652	207,007	736,604	-
	<u>9,826,959</u>	<u>31,071,652</u>	<u>9,862,007</u>	<u>31,036,604</u>	<u>1,090,000</u>
Capital leases	11,018,302	11,111,222	11,034,199	11,095,325	16,238
Rent credits	137,878	-	137,878	-	-
Insurance claims	1,370,786	359,262	-	1,730,048	-
	<u>\$22,353,925</u>	<u>\$42,542,136</u>	<u>\$21,034,084</u>	<u>\$ 43,861,977</u>	<u>\$ 1,106,238</u>

For General Debt, the combined interest cost, including interest from rent credits, was \$1,737,731. Interest of \$1,022,077 is charged directly to transportation functions while \$715,654 is unallocated.

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

Business-type activities

	Beginning Balance (restated)	Additions	Deletions	Ending Balance	Due within one year
General obligation bonds	\$ 53,381,324	\$ 185,377	\$ 475,000	\$ 53,091,701	\$ 1,110,000
Premium	924,376	-	77,974	846,402	-
Total bonds	54,305,700	185,377	552,974	53,938,103	1,110,000
Debt Certificates	-	3,695,000	-	3,695,000	150,000
Discount	-	(2,527)	(162)	(2,365)	-
	-	3,692,473	(162)	3,692,635	150,000
Capital leases	13,848,862	-	525,132	13,323,730	547,803
Due to Public Building Commission	11,694,391	70,105	34,807	11,729,689	-
	<u>\$ 79,848,953</u>	<u>\$ 3,947,955</u>	<u>\$ 1,112,751</u>	<u>\$ 82,684,157</u>	<u>\$ 1,807,803</u>

Total Airport interest and amortization expensed aggregated to \$4,417,198. Interest of \$90,683 was capitalized as part of construction costs.

Existing Highway debt issues are currently subject to federal arbitrage regulations at December 31, 2013.

In March 2014, the County issued Debt Certificates of \$5,125,000. These Certificates were issued to finance improvements to the County's 911 system. The following is a summary of debt service requirements including the 2014 Debt Certificate payment schedules. Debt service requirements are as follows:

Year	Governmental Activities		Business-type Activities		Total
	Debt	Leases	Debt	Leases	
2014	\$ 2,815,188	\$ 10,593,594	\$ 3,895,550	\$ 1,152,523	\$ 18,456,855
2015	2,446,406	10,831,101	4,560,925	1,149,938	18,988,370
2016	2,438,446	11,070,372	4,680,025	1,150,288	19,339,131
2017	2,436,869	11,312,025	4,787,025	1,153,048	19,688,967
2018	2,430,074	11,561,666	4,914,025	1,152,708	20,058,473
2019-2023	12,174,405	59,854,024	26,470,450	5,123,089	103,621,968
2024-2028	12,151,298	52,414,782	30,298,911	5,209,080	100,074,071
2029-2033	9,728,995	53,944,292	7,480,250	3,695,423	74,848,960
2034-2038	9,688,969	56,296,006	-	-	65,984,975
2039-2041	-	29,400,000	-	-	29,400,000
	56,310,650	307,277,862	87,087,161	19,786,097	470,461,770
Executory costs	-	285,316,237	-	-	285,316,237
	<u>\$ 56,310,650</u>	<u>\$ 21,961,625</u>	<u>\$ 87,087,161</u>	<u>\$ 19,786,097</u>	<u>\$185,145,533</u>

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

Equalized assessed value of taxable property – 2013 tax year	<u>\$ 3,817,024,916</u>
Debt limit	\$ 109,739,466
Total debt authorized and issued:	
Deemed general obligations direct bonded indebtedness	13,125,000
Other direct general obligation	76,117,225
Legal debt margin	<u>\$ 20,497,241</u>

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

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

7. Net Position

Restricted net position that has been restricted by enabling legislation was \$95,037,247 while \$8,502,852 is restricted by 3rd party contracts and bond covenants.

8. Fund Balances

Fund balances are classified as follows:

Non-spendable—Amounts that cannot be spent either because they are not in a spendable form (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.

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

As of December 31, 2013, fund balances are composed of the following:

	(in thousands)					
	General Fund	Trans- portation Fund	Lease Payable Fund	Debt Service Fund	Non-Major Funds	Total Governmental Funds
Non-spendable						
Inventory	\$ 95	\$ 128	\$ -	\$ -	\$ 16	\$ 239
Prepays	1,575	-	3,662	-	20	5,257
Restricted						
Tort	2,564	-	-	-	1,277	3,841
Public Safety	147	-	-	-	5,795	5,942
Transportation	-	47,400	-	-	-	47,400
Leases	-	-	2,067	-	-	2,067
Debt service	-	-	-	6,215	-	6,215
Public health	-	-	-	-	13,252	13,252
Retirement	-	-	-	-	11,160	11,160
Court services	-	-	-	-	2,900	2,900
Parks & Rec	-	-	-	-	4,890	4,890
Other	-	-	-	-	4,423	4,423
Committed						
Working cash	17,476	-	-	-	-	17,476
Capital projects	7,284	-	-	-	-	7,284
Automation	793	-	-	-	-	793
Economic Dev	83	-	-	-	-	83
Debt service	-	-	-	4,275	-	4,275
Assigned						
Debt service	-	-	-	6,173	-	6,173
Unassigned	18,364	-	-	-	(787)	17,577
	<u>\$ 48,381</u>	<u>\$ 47,528</u>	<u>\$ 5,729</u>	<u>\$ 16,663</u>	<u>\$ 42,946</u>	<u>\$ 161,247</u>

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

The Detention Home and Bailiff funds had negative fund balances \$391,461 and \$395,818, respectively, at December 31, 2013. The funds' deficits will be recovered at a later date.

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

9. Reconciliation of governmental expenditures activities

Reconciliation of Governmental Expenditures (in thousands)								
	Total	General Government	Public Safety	Judicial	Transportation	Public Health	Debt Service	Interest
Governmental funds expenditures	\$93,834	\$ 39,557	\$ 24,579	\$ 7,742	\$ 9,789	\$ 9,678	\$2,489	\$ -
Adjustments:								
Capital outlay	(5,032)	(1,802)	(175)	(115)	(2,935)	(5)	-	-
Depreciation	7,688	1,221	2,078	595	3,642	152	-	-
Debt service	(696)	(516)	-	-	1,593	-	(2,489)	716
Refund	(4)	(4)	-	-	-	-	-	-
Change in long-term insurance claims	359	359	-	-	-	-	-	-
Change in compensated absences	112	(15)	29	16	20	62	-	-
In-kind contributions	1,624	-	1	-	-	1,623	-	-
Employee medical costs of components								
Units	1,980	1,980	-	-	-	-	-	-
Internal service fund income	(666)	(157)	(256)	(146)	(53)	(54)	-	-
Reclassifications:								
Interfund activity	(1,251)	(921)	530	179	(683)	(356)	-	-
Employee benefits	-	(10,980)	6,429	2,986	978	587	-	-
Insurance costs	-	(2,795)	1,784	304	502	205	-	-
Lease payments	-	(4,993)	1,856	2,963	-	174	-	-
Expenses for Net Activities	\$97,948	\$ 20,934	\$ 36,855	\$14,524	\$12,853	\$12,066	\$ -	\$ 716

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 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 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.

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

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 \$186,056,426, exclusive of the airport, and \$100,000 self-funded retention amounts per loss. The property coverage includes flood, earthquake and 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 \$100,000 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. Auto liability coverage is limited to \$1,000,000 per incident with a \$250,000 self-insured retention while property damage is limited to \$6,301,366 in the aggregate. There is excess liability coverage with a limit of \$19,000,000 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. It also provides an excess \$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 \$300,000 in the aggregate.

The blanket coverage applies to building contents, runways, taxiways and aprons, and equipment with limits of \$210 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.

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

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

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, 2013 in the amount of \$479,741.

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, 2013, the County estimates settlement to be \$3,105,962 of which \$1,730,048 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
2013	\$ 2,692,703	\$ 1,750,914	\$ 1,337,655	\$ 3,105,962
2012	2,863,030	1,229,708	1,400,035	2,692,703
2011	3,446,762	1,034,188	1,617,920	2,863,030

Employee Medical

The County has a self-insurance program covering certain health and welfare benefits for substantially all of its employees including the Intergovernmental Grants Department and the Public Building Commission. Aggregate health claims in excess of \$13,636,675 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
2013	\$ 789,494	\$ 8,754,631	\$ 8,583,127	\$ 960,998
2012	1,107,768	9,512,516	9,830,790	789,494
2011	1,405,363	8,385,147	8,682,742	1,107,768

11. Defined benefit pension plan

Plan Description. The County's defined benefit pension plan for employees provides retirement and

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

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 2013 was 11.95% of annual covered payroll for regular employees, 22.81% for SLEP, and 35.42% 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 2013, the County's required contributions were \$3,242,823, \$1,991,420 and \$375,400 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
12/31/13	\$ 3,242,823	100%	\$ 0
12/31/12	3,380,029	100%	0
12/31/11	3,392,322	100%	0

SLEP County Employees

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/13	\$ 1,991,420	100%	\$ 0
12/31/12	1,797,455	100%	0
12/31/11	1,768,439	100%	0

Elected County Officials

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/13	\$ 375,400	100%	\$ 0
12/31/12	597,306	100%	0
12/31/11	610,678	100%	0

The required 2013 contribution was determined as part of the December 31, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, 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

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

and market value assets. The County's plan's unfunded actuarial accrued liabilities at December 31, 2011 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, 2013, the most recent actuarial valuation date, the County's plan was 88.22% funded for regular employees, 56.43% for SLEP, and 47.82% 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	\$ 100,822,800	\$ 88,943,273	\$ 11,879,527
SLEP	33,548,474	18,930,620	14,617,854
Elected Officials	7,215,338	3,450,276	3,765,062

Employee Group	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll	Actuarial Value of Assets Market Value Basis
Regular	\$ 27,136,592	43.78%	\$ 105,229,277
SLEP	8,730,471	167.43%	24,499,731
Elected Officials	1,059,852	355.24%	4,840,108

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

Due to 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 \$30,262,443. 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

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

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 2013, approximately 130 retirees (including spouses) participated in the program, 829 active employees, and 3 terminated employee 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 on a biannual basis 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, 2012, the most recent actuarial valuation date, the County's plan was 76% 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 are as follows:

Actuarial Valuation Date	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets	Unfunded UAAL
12/31/12	\$ 2,312,166	\$ 1,767,845	\$ 544,321
12/31/10	2,173,919	1,190,799	983,120
12/31/08	2,253,318	520,113	1,733,205

Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
\$ 39,318,765	1%
37,947,806	3%
38,230,339	5%

Annual OPEB Cost. Based on the bi-annual actuarial study done as of January 1, 2013, the County's 2013 required OPEB contribution was \$209,317. The annual contribution includes the current year's service cost of \$145,368 as well as the amortization of the unfunded actuarial accrued liability (AAL) and investment earnings of \$63,949. 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, 2012:

Actuarial accrued liability (AAL)	\$ 2,312,166
Actuarial value of plan assets	1,767,845
Unfunded actuarial accrued liability (UAAL)	<u>\$ 544,321</u>

The initial required contribution was determined as part of the December 31, 2006 biannual 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, 2012 included (a) 7% investment rate of return (net of administrative expenses); (b) projected medical increases of 8% grading down to 5% in year 2019 and each year thereafter, (c) rate of retirement based on ages, (d) turnover, (e) disability/mortality,

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

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)
12/31/12	\$ 231,127	100%	\$ 0	\$2,312,166	\$2,312,166
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

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

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, 2013, summarized financial data for the St. Clair County Public Building Commission was as follows:

Current assets	\$ 16,905,151
Restricted assets	738,500
Property, plant and equipment	7,072
Due from St. Clair County	11,592,403
Net investment in direct financing leases (long-term)	23,855,014
Total assets	<u>53,098,140</u>
Current liabilities	1,448,148
Long-term liabilities	27,153,983
Deferred inflows of resources	659,220
Total liabilities and deferred inflows of resources	<u>29,261,351</u>
Net Position	
Net investment in capital assets	7,072
Restricted	566,693
Unrestricted	23,263,024
Total net position	<u>\$ 23,836,789</u>

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

Operating revenues	\$ 11,743,946
Operating expenses	(7,573,958)
Operating income	4,169,988
Non-operating revenue (expenses)	31,205
Net income	4,201,193
Net position, beginning of the year (restated)	19,635,596
Net position, end of year	<u>\$ 23,836,789</u>

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

15. St. Clair County Intergovernmental Grants Department

St. Clair County Intergovernmental Grants Department (IGD) is a regional planning commission that administers economic development and rehabilitation, weatherization, job training, and other social service programs in St. Clair County for the economically disadvantaged under various federal and state grants. Its activities also include the St. Clair County Intergovernmental Grants Community Action Commission (CAC), a 501(c)(3) formed to obtain additional grant funds.

St. Clair County, through its Intergovernmental Grants Department, has entered into various agreements with federal and state agencies to administer certain programs. Funding for the programs is predominantly from the U.S. Department of Housing and Urban Development (HUD), the Illinois Department of Commerce and Economic Opportunity (DCEO) and the Illinois Department of Healthcare and Family Services. While the financial statements of these various programs are not presented herein, certain limited financial information is provided. At December 31, 2013 summarized financial data for the St. Clair County Intergovernmental Grants Department was as follows:

Current assets	\$ 5,586,109
Other non-current assets	2,947,552
Property, plant and equipment	69,208
Total assets	<u>8,602,869</u>
Current liabilities	3,952,509
Long-term liabilities	2,947,552
Total liabilities	<u>6,900,061</u>
Net position	
Investment in capital assets	69,208
Restricted for loans	1,402,664
Unrestricted	230,936
Total net position	<u>\$ 1,702,808</u>
Program revenues	
Charges for services	\$ 764,622
Operating grants and contributions	15,146,120
Capital grants and contributions	6,734
Program expenditures	(15,776,001)
General revenues	19,704
Change in net position	161,179
Net position – beginning of year	1,541,629
Net position – end of year	<u>\$ 1,702,808</u>

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

Direct expenses for the programs during 2013 were as follows:

Jobs training and employment	\$ 2,686,040
Housing and urban development	4,612,164
Weatherization/energy assistance	7,594,704
Community service programs	809,803
Support services	73,290
	<u>\$ 15,776,001</u>

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

16. St. Clair County Flood Prevention District

The St. Clair County Flood Prevention District (District) was established in July of 2008 pursuant to an Illinois statute created for the purpose of performing emergency levee repair and flood prevention in order to prevent the loss of life or property. The County adopted a resolution to impose a sales tax to fund the operations and any debt service requirements of the District for this purpose. Although preliminary engineering began in late 2008, the District began collecting sales tax in January 2009. Per statute, the operations of the district are reported on a year ending in September. 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, 2013 summarized financial data for the St. Clair County Flood Prevention District was as follows:

Current assets	\$ 7,396,464
Total assets	<u>7,396,464</u>
Current liabilities	<u>1,500</u>
Total liabilities	<u>1,500</u>
Net position	
Unrestricted	<u>7,394,964</u>
Total net position	<u>\$ 5,500,496</u>
Sales tax	\$ 5,334,602
Less Intergovernmental transfers	<u>3,436,012</u>
Net program revenues	<u>1,898,590</u>
Program expenditures	<u>(1,875)</u>
General revenues	<u>(2,247)</u>
Change in net position	<u>1,894,468</u>
Net position – beginning of year	<u>5,500,496</u>
Net position – end of year	<u>\$ 7,394,964</u>

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 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.

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

In 2014, the State of Illinois began the initial stages of a new exit ramp off Interstate 64 for the benefit of the Airport and Scott Air Force Base operations. As part of that project, the State will purchase property owned by the County for approximately \$1 million. These proceeds will be restricted to Airport uses only. This property was originally purchased with FAA, state, and County funds.

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 \$584,889 from the Grants Department and \$519,574 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, 2013. 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.

In 2014 the County issued \$5,125,000 debt obligation certificates to finance improvements to the Emergency Telephone system, as previously discussed in Note 6.

**REQUIRED SUPPLEMENTARY
INFORMATION**

ST. CLAIR COUNTY, ILLINOIS
Governmental Funds
December 31, 2013

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 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, 2013

Public Employees Retirement System
Schedule of Funding Progress

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)
<u>Non-SLEP County Employees</u>						
12/31/2013	\$ 88,943,273	\$ 100,822,800	\$ 11,879,527	88.22%	\$ 27,136,592	43.78%
12/31/2012	83,734,225	100,316,356	16,582,131	83.47%	29,494,145	56.22%
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%

SLEP County Employees

12/31/2013	\$ 18,930,620	\$ 33,548,474	\$ 14,617,854	56.43%	\$ 8,730,471	167.43%
12/31/2012	18,775,648	33,205,369	14,429,721	56.54%	8,230,103	175.33%
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%

Elected County Officials (began in 1997)

12/31/2013	\$ 3,450,276	\$ 7,215,338	\$ 3,765,062	47.82%	\$ 1,059,852	355.24%
12/31/2012	3,062,185	7,034,468	3,972,283	43.53%	1,594,517	249.12%
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%

On a market value basis, the actuarial value of assets and the funded ratios as of December 31, 2013 are as follows:

Non-SLEP	\$ 105,229,277	104.37%
SLEP	\$ 24,499,731	73.03%
Elected	\$ 4,840,108	67.08%

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with St Clair County. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

ST. CLAIR COUNTY, ILLINOIS
Required Supplementary Information
December 31, 2013

Other Post-Employment Benefits
Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Annual OPEB Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net OPEB Obligation</u>
12/31/2012	\$ 231,127	100%	\$0
12/31/2010	289,520	100%	0
12/31/2008	275,087	100%	0
12/31/2006	-	NA	0

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
12/31/2012	\$ 1,767,845	\$ 2,312,166	\$ 544,321	76.46%	\$ 39,318,765	1.38%
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, 2013

	Budgeted Amounts		Budgetary Basis	Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	\$ 12,104,764	\$ 12,104,764	\$ 7,029,732	\$ (5,075,032)
Revenue from federal/state agencies	1,114,075	1,114,075	1,124,238	10,163
Revenue from local government	291,000	291,000	504,283	213,283
Earnings on investments	261,550	261,550	282,186	20,636
Licenses, permits, fines, fees and services	14,933,621	14,933,621	13,901,458	(1,032,163)
State income tax	5,900,000	5,900,000	5,683,703	(216,297)
Personal property replacement tax	2,550,000	2,550,000	2,541,093	(8,907)
Sales tax	9,773,261	9,773,261	8,874,363	(898,898)
Pari-mutual tax	40,000	40,000	51,365	11,365
Other taxes	-	-	55,727	55,727
Miscellaneous revenues	151,350	151,350	12,505	(138,845)
	<u>47,119,621</u>	<u>47,119,621</u>	<u>40,060,653</u>	<u>(7,058,968)</u>
EXPENDITURES				
General government	42,705,291	42,203,664	24,162,995	(18,040,669)
Public safety	14,040,708	14,622,244	14,415,148	(207,096)
Judicial	5,389,713	5,399,493	5,226,571	(172,922)
Public health	62,100	62,100	64,726	2,626
	<u>62,197,812</u>	<u>62,287,501</u>	<u>43,869,440</u>	<u>(18,418,061)</u>
Excess of revenues over (under) expenditures	<u>(15,078,191)</u>	<u>(15,167,880)</u>	<u>(3,808,787)</u>	<u>11,359,093</u>
Other financing sources (uses):				
Operating transfers-in	-	-	136,900	136,900
Operating transfers-out	(3,102,400)	(3,102,400)	(2,226,511)	875,889
Bond proceeds	-	-	3,602,423	3,602,423
Total other financing sources (uses)	<u>(3,102,400)</u>	<u>(3,102,400)</u>	<u>1,512,812</u>	<u>4,615,212</u>
Net changes in fund balances	<u>\$ (18,180,591)</u>	<u>\$ (18,270,280)</u>	<u>(2,295,975)</u>	<u>\$ 15,974,305</u>
Reconciliation of budgetary basis to government fund statement of changes in fund balance:				
Effect of unrecorded assets			(211,520)	
Effect of market value adjustment on investments			(196,857)	
Effect of unrecorded liabilities			(682,026)	
Effect of unrecorded deferred inflows			200,632	
Effect of due to/from other funds			(630,495)	
Beginning fund balances			<u>52,197,171</u>	
Ending fund balances			<u>\$ 48,380,930</u>	

See notes to the financial statements and
independent auditors' report

ST. CLAIR COUNTY, ILLINOIS
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget to Actual
Transportation Fund
For the year ended December 31, 2013

	Budgeted Amounts		Budgetary Basis	Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	\$ 7,126,415	\$ 7,126,415	\$ 4,874,009	\$ (2,252,406)
Motor fuel tax	4,850,000	4,850,000	5,059,252	209,252
Earnings on investments	188,250	188,250	187,568	(682)
Licenses, permits, fines, fees and services	549,500	549,500	43,881	(505,619)
Revenue from federal/state agencies	-	-	296,798	296,798
Revenue from local government	1,160,000	1,160,000	746,058	(413,942)
Miscellaneous revenues	125,000	125,000	17,909	(107,091)
	<u>13,999,165</u>	<u>13,999,165</u>	<u>11,225,475</u>	<u>(2,773,690)</u>
EXPENDITURES				
Transportation	<u>23,137,775</u>	<u>22,901,977</u>	<u>9,716,069</u>	<u>(13,185,908)</u>
	<u>23,137,775</u>	<u>22,901,977</u>	<u>9,716,069</u>	<u>(13,185,908)</u>
Excess of revenues over (under) expenditures	<u>(9,138,610)</u>	<u>(8,902,812)</u>	<u>1,509,406</u>	<u>10,412,218</u>
Other financing sources (uses):				
Bond proceeds	-	-	21,565,914	21,565,914
Operating transfers-out	<u>(1,900,000)</u>	<u>(2,135,798)</u>	<u>(1,965,406)</u>	<u>170,392</u>
Total other financing sources (uses)	<u>(1,900,000)</u>	<u>(2,135,798)</u>	<u>19,600,508</u>	<u>21,736,306</u>
Net changes in fund balances	<u>\$ (11,038,610)</u>	<u>\$ (11,038,610)</u>	21,109,914	<u>\$ 32,148,524</u>
Reconciliation of budgetary basis to government fund statement of changes in fund balance:				
Effect of unrecorded assets			(72,869)	
Effect of market value adjustment on investments			(204,412)	
Effect of unrecorded liabilities			(8,005)	
Effect of unrecorded deferred inflows			116,074	
Effect of due to/from other funds			897	
Beginning fund balances			<u>26,586,059</u>	
Ending fund balances			<u>\$ 47,527,658</u>	

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

ST. CLAIR COUNTY, ILLINOIS
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget to Actual
Lease Payable Fund
For the year ended December 31, 2013

	Budgeted Amounts		Budgetary Basis	Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	\$ 11,860,720	\$ 11,860,720	\$ 9,510,102	\$ (2,350,618)
Revenue from local governments	50,000	50,000	33,307	(16,693)
Earnings on investments	45,500	45,500	22,215	\$ (23,285)
	<u>11,956,220</u>	<u>11,956,220</u>	<u>9,565,624</u>	<u>(2,390,596)</u>
EXPENDITURES				
General government	<u>15,776,236</u>	<u>15,776,236</u>	<u>10,862,196</u>	<u>(4,914,040)</u>
	<u>15,776,236</u>	<u>15,776,236</u>	<u>10,862,196</u>	<u>(4,914,040)</u>
Net changes in fund balances	\$ <u>(3,820,016)</u>	\$ <u>(3,820,016)</u>	(1,296,572)	\$ <u>2,523,444</u>
Reconciliation of budgetary basis to government fund statement of changes in fund balance:				
Effect of unrecorded assets			(35,207)	
Effect of market value adjustment on investments			(10,357)	
Effect of unrecorded deferred inflows			35,295	
Beginning fund balances			<u>7,036,351</u>	
Ending fund balances			\$ <u>5,729,510</u>	

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

ST. CLAIR COUNTY, ILLINOIS
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget to Actual
Debt Service Fund
For the year ended December 31, 2013

	Budgeted Amounts		Budgetary Basis	Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	\$ 5,332,243	\$ 5,332,243	\$ -	\$ (5,332,243)
Earnings on investments	104,000	104,000	84,867	(19,133)
	<u>5,436,243</u>	<u>5,436,243</u>	<u>84,867</u>	<u>(5,351,376)</u>
EXPENDITURES				
Debt service	<u>13,985,150</u>	<u>13,985,150</u>	<u>4,902,059</u>	<u>(9,083,091)</u>
	<u>13,985,150</u>	<u>13,985,150</u>	<u>4,902,059</u>	<u>(9,083,091)</u>
Excess of revenues over (under) expenditures	<u>(8,548,907)</u>	<u>(8,548,907)</u>	<u>(4,817,192)</u>	<u>3,731,715</u>
Other financing sources (uses):				
Bond proceeds	-	-	4,969	4,969
Operating transfers-in	<u>1,900,000</u>	<u>1,900,000</u>	<u>1,965,406</u>	<u>65,406</u>
Total other financing sources (uses)	<u>1,900,000</u>	<u>1,900,000</u>	<u>1,970,375</u>	<u>70,375</u>
Net changes in fund balances	<u>\$ (6,648,907)</u>	<u>\$ (6,648,907)</u>	<u>(2,846,817)</u>	<u>\$ 3,802,090</u>
Reconciliation of budgetary basis to government fund statement of changes in fund balance:				
Effect of unrecorded assets			157	
Effect of market value adjustment on investments			(78,127)	
Beginning fund balances			<u>19,588,007</u>	
Ending fund balances			<u>\$ 16,663,220</u>	

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, 2013

	General County	General County Escrow	Working Cash	Personal Property Replacement Tax	County Automation	Geographic Information System	Pari- Mutual	Tort Liability
ASSETS								
Cash	\$ 798,333	\$ 4,442	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,005
Equity in cash and investment pool	2,217,279	6,015,653	1,188,394	23,518,542	511,240	266,954	94,366	3,976,305
Accounts receivable	2,935,721	-	-	440,995	14,680	21	117	9,129
Taxes receivable	3,814,513	-	-	-	-	-	-	2,864,279
Interest receivable	18,689	5,443	799	-	-	102	-	2,810
Due from other funds	1,261,311	-	-	-	27,562	-	-	4,779
Inventory	94,473	-	-	-	-	-	-	-
Prepaid expenditures	12,500	-	-	-	-	-	-	1,562,804
Total assets	\$ 11,152,819	\$ 6,025,538	\$ 1,189,193	\$ 23,959,537	\$ 553,482	\$ 267,077	\$ 94,483	\$ 8,435,111
LIABILITIES								
Liabilities								
Accounts payable	\$ 520,459	-	-	-	-	-	8	\$ 51,811
Accrued salaries	1,624,916	-	-	-	4,028	1,010	11,618	12,077
Due to other funds	14,990	-	-	-	-	-	-	4,293
Funds held in escrow	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	1,375,914
Total liabilities	2,160,365	-	-	-	4,028	8,446	11,626	1,444,095
Deferred taxes and related fees	4,219,525	-	-	-	14,680	-	-	2,864,279
DEFERRED INFLOWS OF RESOURCES								
Nonspendable	106,973	-	-	-	-	-	-	1,562,804
Restricted	-	-	-	-	-	-	-	2,563,933
Committed	-	-	1,189,193	16,287,022	534,774	258,631	82,857	-
Assigned	-	-	-	7,672,515	-	-	-	-
Unassigned	4,665,956	6,025,538	-	-	-	-	-	-
Total fund balance	4,772,929	6,025,538	1,189,193	23,959,537	534,774	258,631	82,857	4,126,737
Total liabilities, deferred inflows of resources and fund balance	\$ 11,152,819	\$ 6,025,538	\$ 1,189,193	\$ 23,959,537	\$ 538,802	\$ 267,077	\$ 94,483	\$ 5,570,832

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheet - All General Fund Accounts
December 31, 2013

	Capital Replacement	MetroLink Security	Payroll Escrow	Pool	Total General Fund
ASSETS					
Cash	\$ -	\$ -	\$ -	\$ 39,518	\$ 857,298
Equity in cash and investment pool	3,562,927	213,372	662,071	-	42,227,103
Accounts receivable	-	13,196	-	-	3,413,859
Taxes receivable	-	-	-	-	6,678,792
Interest receivable	2,932	-	391	-	31,166
Due from other funds	3,722,876	8,575	(294,332)	-	4,730,771
Inventory	-	-	-	-	94,473
Prepaid expenditures	-	-	-	-	1,575,304
Total assets	\$ 7,288,735	\$ 235,143	\$ 368,130	\$ 39,518	\$ 59,608,766
LIABILITIES					
Liabilities					
Accounts payable	\$ 4,675	\$ -	\$ -	\$ -	\$ 577,963
Accrued salaries	-	88,469	-	-	1,748,544
Due to other funds	-	-	368,130	-	387,413
Funds held in escrow	-	-	-	39,518	39,518
Other liabilities	-	-	-	-	1,375,914
Total liabilities	4,675	88,469	368,130	39,518	4,129,352
DEFERRED INFLOWS OF RESOURCES					
Deferred taxes and related fees	-	-	-	-	7,098,484
FUND BALANCE					
Nonspendable	-	-	-	-	1,669,777
Restricted	-	146,674	-	-	2,710,607
Committed	7,284,060	-	-	-	25,636,537
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	18,364,009
Total fund balance	7,284,060	146,674	-	-	48,380,930
Total liabilities, deferred inflows of resources and fund balance	\$ 7,288,735	\$ 235,143	\$ 368,130	\$ 39,518	\$ 52,510,282

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
All General Fund Accounts
For the year ended December 31, 2013

	General County	General County Escrow	Working Cash	Personal Property Replacement Tax	County Automation	Geographic Information System	Pari- Mutual	Tort Liability
REVENUES								
Property taxes	\$ 3,948,781	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,080,951
Revenue from federal/state agencies	1,119,230	-	-	-	-	-	-	-
Revenue from local agencies	-	-	-	-	-	172,921	120,255	191,880
Earnings on investments	178,337	2,878	288	(108,362)	(1,778)	(366)	(470)	3,689
Licenses, permits, fines, fees and services								
State income tax	12,203,732	62,246	-	-	99,615	145,170	20,049	-
Personal property replacement tax	5,495,140	-	-	-	-	-	-	-
Sales tax	8,858,292	-	-	2,632,453	-	-	-	-
Other taxes	61,245	-	-	-	-	-	46,608	-
Miscellaneous revenues	8,327	-	-	-	-	-	-	150
	<u>31,873,084</u>	<u>65,124</u>	<u>288</u>	<u>2,524,091</u>	<u>97,837</u>	<u>317,725</u>	<u>186,442</u>	<u>3,276,670</u>
EXPENDITURES								
General government	15,077,247	-	-	-	547,599	232,150	279,962	3,700,817
Public safety	13,734,792	-	-	-	-	-	-	-
Judicial	5,248,759	-	-	-	-	-	-	-
Public Health	67,442	-	-	-	-	-	-	-
	<u>34,128,240</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>547,599</u>	<u>232,150</u>	<u>279,962</u>	<u>3,700,817</u>
Excess of revenues over (under) expenditures	<u>(2,255,156)</u>	<u>65,124</u>	<u>288</u>	<u>2,524,091</u>	<u>(449,762)</u>	<u>85,575</u>	<u>(93,520)</u>	<u>(424,147)</u>
Other financing sources (uses)								
Operating transfers-in	136,900	-	-	-	-	-	-	-
Operating transfers-out	(1,998,603)	-	-	(376,082)	-	-	-	(510,348)
Intra fund transfers (net)	3,000,000	-	-	(3,000,000)	-	-	-	-
Total other financing sources (uses)	<u>1,138,297</u>	<u>-</u>	<u>-</u>	<u>(3,376,082)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(510,348)</u>
Net changes in fund balances	<u>(1,116,859)</u>	<u>65,124</u>	<u>288</u>	<u>(851,991)</u>	<u>(449,762)</u>	<u>85,575</u>	<u>(93,520)</u>	<u>(934,495)</u>
Beginning fund balances	<u>5,889,788</u>	<u>5,960,414</u>	<u>1,188,905</u>	<u>24,811,528</u>	<u>984,536</u>	<u>173,056</u>	<u>176,377</u>	<u>5,061,232</u>
Ending fund balances	<u>\$ 4,772,929</u>	<u>\$ 6,025,538</u>	<u>\$ 1,189,193</u>	<u>\$ 23,959,537</u>	<u>\$ 534,774</u>	<u>\$ 258,631</u>	<u>\$ 82,857</u>	<u>\$ 4,126,737</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
All General Fund Accounts
For the year ended December 31, 2013

	Capital Replacement	MetroLink Security	Payroll Escrow	Pool	Total General Fund
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 7,029,732
Revenue from federal/state agencies	-	-	-	-	1,119,230
Revenue from local agencies	-	-	-	-	485,056
Earnings on investments	7,003	(976)	-	-	80,243
Licenses, permits, fines, fees and services	10,000	1,263,473	-	-	13,804,285
State income tax	-	-	-	-	5,495,140
Personal property replacement tax	-	-	-	-	2,632,453
Sales tax	-	-	-	-	8,858,292
Other taxes	-	-	-	-	107,853
Miscellaneous revenues	-	-	-	-	8,477
	<u>17,003</u>	<u>1,262,497</u>	<u>-</u>	<u>-</u>	<u>39,620,761</u>
EXPENDITURES					
General government	364,366	-	-	-	20,202,141
Public safety	-	1,369,333	-	-	15,104,125
Judicial	-	-	-	-	5,248,759
Public Health	-	-	-	-	67,442
	<u>364,366</u>	<u>1,369,333</u>	<u>-</u>	<u>-</u>	<u>40,622,467</u>
Excess of revenues over (under) expenditures	<u>(347,363)</u>	<u>(106,836)</u>	<u>-</u>	<u>-</u>	<u>(1,001,706)</u>
Other financing sources (uses)					
Operating transfers-in	-	-	-	-	136,900
Operating transfers-out	(66,402)	-	-	-	(2,951,435)
Intra fund transfers (net)	-	-	-	-	-
	<u>(66,402)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,814,535)</u>
Total other financing sources (uses)	<u>(66,402)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,814,535)</u>
Net changes in fund balances	<u>(413,765)</u>	<u>(106,836)</u>	<u>-</u>	<u>-</u>	<u>(3,816,241)</u>
Beginning fund balances	<u>7,697,825</u>	<u>253,510</u>	<u>-</u>	<u>-</u>	<u>52,197,171</u>
Ending fund balances	<u>\$ 7,284,060</u>	<u>\$ 146,674</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,380,930</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheet
Transportation Fund Accounts
December 31, 2013

	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	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
Equity in cash and investment pool	4,780,137	3,686,393	5,500,445	4,754,642	27,719,508	9,338	938,017	-	340,677	47,729,157
Accounts receivable	43	-	-	336,330	-	639	77,354	-	-	414,366
Taxes receivable	2,419,705	967,203	1,316,754	-	-	-	-	-	-	4,703,662
Interest receivable	4,110	2,786	3,838	3,697	7,263	136	688	-	-	22,518
Due from other funds	444,373	(213,224)	6,165	9,605	-	134,961	(53,463)	-	(213,272)	115,145
Inventory	-	-	-	128,156	-	-	-	-	-	128,156
Total assets	\$ 7,648,868	\$ 4,443,158	\$ 6,827,202	\$ 5,232,430	\$ 27,726,771	\$ 145,074	\$ 962,596	\$ -	\$ 127,405	\$ 53,113,504
LIABILITIES										
Accounts payable	\$ 10,983	\$ 245,401	\$ 341,815	\$ 71,068	\$ -	\$ 9,922	\$ 75,590	\$ -	\$ -	\$ 754,779
Accrued salaries	-	-	-	-	-	-	-	-	127,405	127,405
Total liabilities	10,983	245,401	341,815	71,068	-	9,922	75,590	-	127,405	882,184
DEFERRED INFLOWS OF RESOURCES										
Deferred taxes and related fees	2,419,705	967,203	1,316,754	-	-	-	-	-	-	4,703,662
FUND BALANCE										
Nonspendable	-	-	-	128,156	-	-	-	-	-	128,156
Restricted	5,218,180	3,230,554	5,168,633	5,033,206	27,726,771	135,152	887,006	-	-	47,399,502
	5,218,180	3,230,554	5,168,633	5,161,362	27,726,771	135,152	887,006	-	-	47,527,658
Total liabilities, deferred inflows of resources and fund balance	\$ 7,648,868	\$ 4,443,158	\$ 6,827,202	\$ 5,232,430	\$ 27,726,771	\$ 145,074	\$ 962,596	\$ -	\$ 127,405	\$ 53,113,504

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Transportation Fund Accounts
For the year ended December 31, 2013

	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	\$ 2,508,687	\$ 1,005,120	\$ 1,360,202	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,874,009
Motor fuel tax	-	-	-	4,269,214	-	-	895,727	-	-	5,164,941
Licenses, permits, fines, fees and services	28,593	-	150	14,325	-	18,719	-	-	-	61,787
Revenue from federal/state agencies	-	-	-	-	265,864	-	-	-	-	265,864
Revenue from local agencies	-	-	81,630	-	30,934	664,427	-	-	-	776,991
Earnings on investments	1,187	1,207	2,185	2,426	(21,880)	446	595	-	-	(13,834)
	<u>2,538,467</u>	<u>1,006,327</u>	<u>1,444,167</u>	<u>4,285,965</u>	<u>274,918</u>	<u>683,592</u>	<u>896,322</u>	<u>-</u>	<u>-</u>	<u>11,129,758</u>
EXPENDITURES										
Transportation	2,042,066	1,246,858	1,793,802	3,176,185	-	618,442	911,314	-	-	9,788,667
Debt service-bond issuance costs	-	-	-	-	570,717	-	-	-	-	570,717
	<u>2,042,066</u>	<u>1,246,858</u>	<u>1,793,802</u>	<u>3,176,185</u>	<u>570,717</u>	<u>618,442</u>	<u>911,314</u>	<u>-</u>	<u>-</u>	<u>10,359,384</u>
Excess of revenues over (under) expenditures	<u>496,401</u>	<u>(240,531)</u>	<u>(349,635)</u>	<u>1,109,780</u>	<u>(295,799)</u>	<u>65,150</u>	<u>(14,992)</u>	<u>-</u>	<u>-</u>	<u>770,374</u>
Other financing sources (uses)										
Proceeds from bonds	-	-	-	-	30,300,000	-	-	-	-	30,300,000
Proceeds from bond premiums	-	-	-	-	771,654	-	-	-	-	771,654
Payments to refunding escrow agent	-	-	-	-	(8,930,054)	-	-	-	-	(8,930,054)
Operating transfers-out	(279,991)	-	(235,798)	(1,449,617)	(4,969)	-	-	-	-	(1,970,375)
Total other financing sources (uses)	<u>(279,991)</u>	<u>-</u>	<u>(235,798)</u>	<u>(1,449,617)</u>	<u>22,136,631</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,171,225</u>
Net changes in fund balances	216,410	(240,531)	(585,433)	(339,837)	21,840,832	65,150	(14,992)	-	-	20,941,599
Beginning fund balances	5,001,770	3,471,085	5,754,066	5,501,199	5,885,939	70,002	901,998	-	-	26,586,059
Ending fund balances	<u>\$ 5,218,180</u>	<u>\$ 3,230,554</u>	<u>\$ 5,168,633</u>	<u>\$ 5,161,362</u>	<u>\$ 27,726,771</u>	<u>\$ 135,152</u>	<u>\$ 887,006</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,527,658</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheets - All Nonmajor Governmental Funds
December 31, 2013

ASSETS

	Social Security	Retirement Fund	Sale and Error	Indemnity	Recorder's Office Escrow	Trustee Demolition Fund	Tourism Fund	Metro-East Park & Recreation	Veteran's Assistance	General Grants
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 122,400	\$ -	\$ -	\$ -	\$ -
Equity in cash and investment pool	6,038,920	5,673,291	400,121	996,111	1,009,395	3,418,962	17,659	4,748,381	171,442	110,878
Accounts receivable	-	-	72,347	29,359	-	617,091	6,007	177,138	-	197,721
Taxes receivable	2,222,870	3,950,261	-	-	-	-	-	-	342,763	-
Interest receivable	3,399	3,051	248	-	765	1,615	32	3,047	-	-
Due from other funds	3,194	9,843	-	-	-	-	14,990	-	2,973	26,372
Inventory	-	-	-	-	-	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 8,268,383	\$ 9,636,446	\$ 472,716	\$ 1,025,470	\$ 1,010,160	\$ 4,160,068	\$ 38,688	\$ 4,928,566	\$ 517,178	\$ 334,971

LIABILITIES

Accounts payable	\$ -	\$ -	\$ 119,216	\$ -	\$ 77,066	\$ 247,923	\$ -	\$ 35,268	\$ 6,559	\$ 182,963
Accrued salaries	-	-	-	-	7,126	-	-	3,054	4,138	13,331
Accrued payroll related costs	178,919	392,971	-	-	-	-	-	-	-	-
Due to other funds	55	164	-	-	-	-	-	-	-	62,840
Unearned income	-	-	-	-	-	-	-	-	-	20,010
Total liabilities	178,974	393,135	119,216	-	84,192	247,923	-	38,322	10,697	279,144

DEFERRED INFLOWS OF RESOURCES

Deferred taxes and related fees	2,222,870	3,950,261	72,347	29,359	-	617,091	-	-	342,763	-
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FUND BALANCES

Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	5,866,539	5,293,050	281,153	996,111	925,968	3,295,054	38,688	4,890,244	163,718	55,827
Unassigned	-	-	-	-	-	-	-	-	-	-
Total fund balance	5,866,539	5,293,050	281,153	996,111	925,968	3,295,054	38,688	4,890,244	163,718	55,827
Total liabilities, deferred inflows of resources and fund balance	\$ 8,268,383	\$ 9,636,446	\$ 472,716	\$ 1,025,470	\$ 1,010,160	\$ 4,160,068	\$ 38,688	\$ 4,928,566	\$ 517,178	\$ 334,971

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheets - All Nonmajor Governmental Funds
December 31, 2013

Court Services Accounts									
	County Health	Landfill Surcharge	Mental Health	Civil Defense Emergency	Emergency Telephone System	Pet Population	Court Automation	Court Document Storage	Electronic Citation
ASSETS									
Cash	\$ 350	\$ -	\$ 1,500	\$ -	\$ 500	\$ -	\$ 13,555	\$ 38,243	\$ 7,983
Equity in cash and investment pool	2,713,255	7,824,558	1,819,161	388,545	2,567,274	256,869	331,782	816,415	307,777
Accounts receivable	1,381,524	229,788	94	-	294,021	-	41	6	-
Taxes receivable	566,747	-	2,321,288	-	-	-	-	-	-
Interest receivable	1,788	6,970	949	261	2,048	151	167	317	87
Due from other funds	74,000	19,502	12,168	-	11,404	-	42,686	34,954	-
Inventory	16,136	-	-	-	-	-	-	-	-
Prepaid expenditures	20,063	-	-	-	-	-	-	-	-
Total assets	\$ 4,773,863	\$ 8,080,818	\$ 4,155,160	\$ 388,806	\$ 2,875,247	\$ 257,020	\$ 388,231	\$ 889,935	\$ 315,847
LIABILITIES									
Accounts payable	\$ 242,488	\$ 9,357	\$ 146,891	\$ -	\$ 118,479	\$ 1,500	\$ 1,200	\$ 313	\$ -
Accrued salaries	117,549	69,677	8,775	-	29,560	-	10,563	14,554	-
Accrued payroll related costs	-	-	-	-	-	-	-	-	-
Due to other funds	4,842	2,048	7,703	-	23,086	-	-	-	-
Unearned income	223,987	-	-	-	-	-	-	-	-
Total liabilities	588,866	81,082	163,369	-	171,125	1,500	11,763	14,867	-
DEFERRED INFLOWS OF RESOURCES									
Deferred taxes and related fees	566,747	-	2,321,288	-	-	-	-	-	-
FUND BALANCES									
Nonspendable	36,199	-	-	-	-	-	-	-	-
Restricted	3,582,051	7,999,736	1,670,503	388,806	2,704,122	255,520	376,468	875,068	315,847
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balance	3,618,250	7,999,736	1,670,503	388,806	2,704,122	255,520	376,468	875,068	315,847
Total liabilities, deferred inflows of resources and fund balance	\$ 4,773,863	\$ 8,080,818	\$ 4,155,160	\$ 388,806	\$ 2,875,247	\$ 257,020	\$ 388,231	\$ 889,935	\$ 315,847

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheets - All Nonmajor Governmental Funds
December 31, 2013

	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 Records Automation
ASSETS										
Cash	\$ -	\$ -	\$ -	\$ -	\$ 42,518	\$ 102,299	\$ -	\$ -	\$ -	\$ 2,390
Equity in cash and investment pool	54,798	932,151	2,509	137,905	-	2,583,337	48,687	55,755	4,292	35,185
Accounts receivable	17,830	-	-	-	-	17,877	131,189	-	273	-
Taxes receivable	-	-	-	-	-	-	-	61,087	-	-
Interest receivable	-	926	9	133	242	1,881	-	31	20	4
Due from other funds	-	254	-	1,382	22,064	101,340	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 72,628	\$ 933,331	\$ 2,518	\$ 139,420	\$ 64,824	\$ 2,806,734	\$ 179,876	\$ 116,873	\$ 4,585	\$ 37,579
LIABILITIES										
Accounts payable	\$ -	\$ 246	\$ -	\$ 10,881	\$ -	\$ 12,640	\$ 1,080	\$ 5,500	\$ -	\$ -
Accrued salaries	5,542	1,268	-	1,893	37,770	71,590	18,585	-	-	-
Accrued payroll related costs	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	422,872	422,872	104,500	-	-	-
Unearned income	-	-	-	-	-	-	-	-	-	-
Total liabilities	5,542	1,514	-	12,774	460,642	507,102	124,165	5,500	-	-
DEFERRED INFLOWS OF RESOURCES										
Deferred taxes and related fees	-	-	-	-	-	-	-	61,087	-	-
FUND BALANCES										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	67,086	931,817	2,518	126,646	-	2,695,450	55,711	50,286	4,585	37,579
Unassigned	-	-	-	-	(395,818)	(395,818)	-	-	-	-
Total fund balance	67,086	931,817	2,518	126,646	(395,818)	2,299,632	55,711	50,286	4,585	37,579
Total liabilities, deferred inflows of resources and fund balance	\$ 72,628	\$ 933,331	\$ 2,518	\$ 139,420	\$ 64,824	\$ 2,806,734	\$ 179,876	\$ 116,873	\$ 4,585	\$ 37,579

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheets - All Nonmajor Governmental Funds
December 31, 2013

	State's Attorney Forfeiture	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	\$ -	\$ 38,205	\$ 1,112	\$ -	\$ -	\$ 346	\$ 1,717	\$ -	\$ -	\$ 842
Equity in cash and investment pool	37,988	1,074,491	5,601	186,871	55,725	26,174	32,339	263,819	160,942	1,743
Accounts receivable	-	130,151	7	226,082	-	22,179	-	234	9,819	-
Taxes receivable	-	-	-	509,054	-	-	-	-	-	-
Interest receivable	13	798	15	164	17	66	19	206	-	-
Due from other funds	-	720,595	-	30,765	-	-	-	-	1,190	-
Inventory	-	-	-	-	-	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 38,001	\$ 1,964,240	\$ 6,735	\$ 952,936	\$ 55,742	\$ 48,765	\$ 34,075	\$ 264,259	\$ 171,951	\$ 2,593
LIABILITIES										
Accounts payable	\$ 2,128	\$ 11,869	\$ 145	\$ 1,051	\$ 1,892	\$ 158	\$ -	\$ 4,114	\$ 15,915	\$ -
Accrued salaries	-	31,147	555	53,923	-	3,981	-	713	-	-
Accrued payroll related costs	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	780,369	-	18,203	-	3,287	61,730	-
Unearned income	-	-	-	-	-	-	-	-	-	-
Total liabilities	2,128	43,016	700	835,343	1,892	22,342	-	8,114	77,645	-
DEFERRED INFLOWS OF RESOURCES										
Deferred taxes and related fees	-	-	-	509,054	-	-	-	-	-	-
FUND BALANCES										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	35,873	1,921,224	6,035	-	53,850	26,423	34,075	256,145	94,306	2,593
Unassigned	-	-	-	(391,461)	-	-	-	-	-	-
Total fund balance	35,873	1,921,224	6,035	(391,461)	53,850	26,423	34,075	256,145	94,306	2,593
Total liabilities, deferred inflows of resources and fund balance	\$ 38,001	\$ 1,964,240	\$ 6,735	\$ 952,936	\$ 55,742	\$ 48,765	\$ 34,075	\$ 264,259	\$ 171,951	\$ 2,593

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheets - All Nonmajor Governmental Funds
December 31, 2013

	Law Enforcement and Prosecution Grants						Total
	Victim Witness Grant	Domestic Violence Advocate Grant	Project Renew Grant	Auto Task Force Grant	DUI/Alcohol Traffic Safety Grant	Total Law Enforcement & Prosecution Grants	All Nonmajor Governmental Funds
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 271,661
Equity in cash and investment pool	5,967	-	58,221	-	56,576	120,764	42,848,535
Accounts receivable	295	9,855	217,382	11,950	-	239,482	3,782,383
Taxes receivable	-	-	-	-	-	-	9,974,070
Interest receivable	-	-	-	-	23	23	27,589
Due from other funds	7,703	-	-	-	-	7,703	1,036,039
Inventory	-	-	-	-	-	-	16,136
Prepaid expenditures	-	-	-	-	-	-	20,063
Total assets	\$ 13,965	\$ 9,855	\$ 275,603	\$ 11,950	\$ 56,599	\$ 367,972	\$ 57,976,476
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ 46,118	\$ -	\$ -	\$ 46,118	\$ 1,290,320
Accrued salaries	295	1,583	12,082	8,326	-	22,286	455,990
Accrued payroll related costs	-	-	-	-	-	-	571,890
Due to other funds	5,967	2,055	215,617	3,624	56,151	283,414	1,775,113
Unearned income	-	-	-	-	448	448	244,445
Total liabilities	6,262	3,638	273,817	11,950	56,599	352,266	4,337,758
DEFERRED INFLOWS OF RESOURCES							
Deferred taxes and related fees	-	-	-	-	-	-	10,692,867
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	36,199
Restricted	7,703	6,217	1,786	-	-	15,706	43,696,931
Unassigned	-	-	-	-	-	-	(787,279)
Total fund balance	7,703	6,217	1,786	-	-	15,706	42,945,851
Total liabilities, deferred inflows of resources and fund balance	\$ 13,965	\$ 9,855	\$ 275,603	\$ 11,950	\$ 56,599	\$ 367,972	\$ 57,976,476

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
All Nonmajor Governmental Funds
For the year ended December 31, 2013

REVENUES

Property taxes
Revenue from federal/state agencies
Revenue from local agencies
Earnings on investments
Licenses, permits, fines,
fees and services
Other taxes
Miscellaneous revenues

	Social Security	Retirement Fund	Sale and Error	Indemnity	Recorders Office Escrow	Trustee Demolition Fund	Tourism Fund	Metro-East Park & Recreation	Veterans Assistance	General Grants
	\$ 2,288,784	\$ 4,394,823	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 344,570	\$ -
	-	-	-	-	-	-	-	-	-	1,071,197
	(1,817)	381	(523)	(4,589)	398	661,682 (2,133)	156	1,097,782 2,264	(735)	-
	-	-	-	-	277,437	-	-	2,691	-	-
	-	-	-	-	-	-	13,610	-	-	-
	-	-	-	-	-	-	-	-	-	-
	2,286,967	4,395,204	326,897	132,311	277,835	659,549	13,766	1,102,737	343,835	1,071,197

EXPENDITURES

General government
Public safety
Public health
Judicial

	2,478,024	4,847,991	575,096	-	369,700	281,007	25,000	714,925	307,833	47,472
	-	-	-	-	-	-	-	-	-	481,047
	-	-	-	-	-	-	-	-	-	348,200
	-	-	-	-	-	-	-	-	-	180,028
	2,478,024	4,847,991	575,096	-	369,700	281,007	25,000	714,925	307,833	1,056,747
	(191,057)	(452,787)	(248,199)	132,311	(91,865)	378,542	(11,234)	387,812	36,002	14,450

Excess of revenues over (under)
expenditures

Other financing sources (uses)
Operating transfers-in
Operating transfers-out
Total other financing sources (uses)

	-	376,082	-	-	-	-	-	-	-	4,737
	(72,366)	(112,912)	-	(136,900)	-	-	-	-	-	-
	(72,366)	263,170	-	(136,900)	-	-	-	-	-	4,737

Net changes in fund balances
Beginning fund balances

	(263,423)	(189,617)	(248,199)	(4,589)	(91,865)	378,542	(11,234)	387,812	36,002	19,187
	6,129,962	5,482,667	529,352	1,000,700	1,017,833	2,916,512	49,922	4,502,432	127,716	36,640

Ending fund balances

	\$ 5,866,539	\$ 5,293,050	\$ 281,153	\$ 996,111	\$ 925,968	\$ 3,295,054	\$ 38,688	\$ 4,890,244	\$ 163,718	\$ 55,827
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ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
All Nonmajor Governmental Funds
For the year ended December 31, 2013

	Court Services Accounts								
	County Health	Landfill Surcharge	Mental Health	Civil Defense Emergency	Emergency Telephone System	Pet Population	Court Automation	Court Document Storage	Electronic Citation
REVENUES									
Property taxes	\$ 570,842	\$ -	\$ 2,364,159	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue from federal/state agencies	4,830,556	-	7,410	-	-	-	-	-	-
Revenue from local agencies	446,225	-	-	-	-	-	-	-	-
Earnings on investments	1,177	6,272	(983)	56	2,080	(9)	477	203	(127)
Licenses, permits, fines, fees and services	349,778	1,036,247	4,219	-	2,199,487	57,743	358,854	643,397	98,196
Other taxes	-	-	-	-	-	-	-	-	-
Miscellaneous revenues	-	-	-	-	-	-	-	-	-
	<u>6,198,578</u>	<u>1,042,519</u>	<u>2,374,805</u>	<u>56</u>	<u>2,201,567</u>	<u>57,734</u>	<u>359,331</u>	<u>643,600</u>	<u>98,069</u>
EXPENDITURES									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	1,178,781	-	-	2,606,199	43,587	-	-	-
Public health	6,024,576	1,025,185	2,212,269	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	335,785	487,464	-
	<u>6,024,576</u>	<u>2,203,966</u>	<u>2,212,269</u>	<u>-</u>	<u>2,606,199</u>	<u>43,587</u>	<u>335,785</u>	<u>487,464</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>174,002</u>	<u>(1,161,447)</u>	<u>162,536</u>	<u>56</u>	<u>(404,632)</u>	<u>14,147</u>	<u>23,546</u>	<u>156,136</u>	<u>98,069</u>
Other financing sources (uses)									
Operating transfers-in	-	-	-	-	-	-	-	-	-
Operating transfers-out	-	-	(17,084)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(17,084)	-	-	-	-	-	-
Net changes in fund balances	174,002	(1,161,447)	145,452	56	(404,632)	14,147	23,546	156,136	98,069
Beginning fund balances	<u>3,444,248</u>	<u>9,161,183</u>	<u>1,525,051</u>	<u>388,750</u>	<u>3,108,754</u>	<u>241,373</u>	<u>352,922</u>	<u>718,932</u>	<u>217,778</u>
Ending fund balances	<u>\$ 3,618,250</u>	<u>\$ 7,999,736</u>	<u>\$ 1,670,503</u>	<u>\$ 388,806</u>	<u>\$ 2,704,122</u>	<u>\$ 255,520</u>	<u>\$ 376,468</u>	<u>\$ 875,068</u>	<u>\$ 315,847</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
All Nonmajor Governmental Funds
For the year ended December 31, 2013

	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 Records Automation
REVENUES										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,648	\$ -	\$ -
Revenue from federal/state agencies	108,274	-	-	-	-	108,274	620,864	-	-	-
Revenue from local agencies	-	-	-	-	-	-	-	-	-	-
Earnings on investments	-	547	46	189	(424)	911	-	17	55	(42)
Licenses, permits, fines, fees and services	-	-	-	-	-	-	-	-	-	-
Other taxes	-	90,611	66,455	174,545	843,791	2,275,849	-	-	4,855	26,969
Miscellaneous revenues	-	-	-	-	-	-	-	-	-	-
	<u>108,274</u>	<u>91,158</u>	<u>66,501</u>	<u>174,734</u>	<u>843,367</u>	<u>2,385,034</u>	<u>620,864</u>	<u>62,665</u>	<u>4,910</u>	<u>26,927</u>
EXPENDITURES										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	1,297,175	1,297,175	-	-	-	-
Public health	-	-	-	-	-	-	-	-	-	-
Judicial	123,783	116,959	64,001	207,742	-	1,335,734	620,865	66,000	20,210	-
	<u>123,783</u>	<u>116,959</u>	<u>64,001</u>	<u>207,742</u>	<u>1,297,175</u>	<u>2,632,909</u>	<u>620,865</u>	<u>66,000</u>	<u>20,210</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(15,509)</u>	<u>(25,801)</u>	<u>2,500</u>	<u>(33,008)</u>	<u>(453,808)</u>	<u>(247,875)</u>	<u>(1)</u>	<u>(3,335)</u>	<u>(15,300)</u>	<u>26,927</u>
Other financing sources (uses)										
Operating transfers-in	15,508	-	-	-	-	15,508	-	-	-	-
Operating transfers-out	-	(15,508)	-	-	-	(15,508)	-	-	-	-
Total other financing sources (uses)	<u>15,508</u>	<u>(15,508)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	(1)	(41,309)	2,500	(33,008)	(453,808)	(247,875)	(1)	(3,335)	(15,300)	26,927
Beginning fund balances	67,087	973,126	18	159,654	57,990	2,547,507	55,712	53,621	19,885	10,652
Ending fund balances	\$ 67,086	\$ 931,817	\$ 2,518	\$ 126,646	\$ (395,818)	\$ 2,299,632	\$ 55,711	\$ 50,286	\$ 4,585	\$ 37,579

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
All Nonmajor Governmental Funds
For the year ended December 31, 2013

	State's Attorney Forfeiture	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	\$ -	\$ -	\$ -	\$ 428,107	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue from federal/state agencies	-	488,318	-	649,763	-	102,696	-	-	-	-
Revenue from local agencies	-	300,905	-	54,590	-	-	-	15,746	-	-
Earnings on investments	20	335	48	342	(9)	70	12	345	(618)	108
Licenses, permits, fines, fees and services	500	718,675	16,815	8	36,375	40,067	25,252	67,790	420,586	13,131
Other taxes	-	-	-	-	-	-	-	-	-	-
Miscellaneous revenues	520	1,508,233	16,863	1,132,810	36,366	142,833	25,264	83,881	419,968	13,239
EXPENDITURES										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	1,003,421	-	1,498,152	19,932	157,711	22,536	223,803	357,316	33,984
Public health	-	-	-	-	-	-	-	-	-	-
Judicial	(3,203)	-	27,231	-	-	-	-	-	-	-
	(3,203)	1,003,421	27,231	1,498,152	19,932	157,711	22,536	223,803	357,316	33,984
Excess of revenues over (under) expenditures	3,723	504,812	(10,368)	(365,342)	16,434	(14,878)	2,728	(139,922)	62,652	(20,745)
Other financing sources (uses)										
Operating transfers-in	-	-	-	-	-	8,829	-	-	-	-
Operating transfers-out	-	(20,602)	-	-	-	-	-	(3,287)	-	-
Total other financing sources (uses)	-	(20,602)	-	-	-	8,829	-	(3,287)	-	-
Net changes in fund balances	3,723	484,210	(10,368)	(365,342)	16,434	(6,049)	2,728	(143,209)	62,652	(20,745)
Beginning fund balances	32,150	1,437,014	16,403	(26,119)	37,416	32,472	31,347	399,354	31,654	23,338
Ending fund balances	\$ 35,873	\$ 1,921,224	\$ 6,035	\$ (391,461)	\$ 53,850	\$ 26,423	\$ 34,075	\$ 256,145	\$ 94,306	\$ 2,593

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
All Nonmajor Governmental Funds
For the year ended December 31, 2013

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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,453,933	\$ 10,453,933	\$	\$ 15,761,254
Revenue from federal/state agencies	19,795	37,348	436,436	122,135	55,424	671,138	8,550,216	8,623,652		8,281,822
Revenue from local agencies	-	-	-	-	-	-	2,576,930	2,227,278		2,751,992
Earnings on investments	-	-	-	-	(5)	(5)	3,584	199,641		213,813
Licenses, permits, fines, fees and services	-	-	-	-	-	-	8,038,794	8,554,941		9,247,650
Other taxes	-	-	-	-	-	-	13,610	8,486		15,000
Miscellaneous revenues	-	-	-	-	-	-	-	9,813		6,100
	<u>19,795</u>	<u>37,348</u>	<u>436,436</u>	<u>122,135</u>	<u>55,419</u>	<u>671,133</u>	<u>29,637,067</u>	<u>30,077,744</u>		<u>36,277,631</u>
EXPENDITURES										
General government	-	-	-	-	-	-	9,647,048	10,210,795		19,613,599
Public safety	-	-	348,823	147,500	55,419	551,742	9,475,386	8,326,086		15,251,684
Public health	-	-	-	-	-	-	9,610,230	10,849,974		12,635,795
Judicial	41,053	52,293	153,002	-	-	246,348	2,493,213	2,510,637		4,979,057
	<u>41,053</u>	<u>52,293</u>	<u>501,825</u>	<u>147,500</u>	<u>55,419</u>	<u>798,090</u>	<u>31,225,877</u>	<u>31,897,492</u>		<u>52,480,135</u>
Excess of revenues over (under) expenditures	<u>(21,258)</u>	<u>(14,945)</u>	<u>(65,389)</u>	<u>(25,365)</u>	-	<u>(126,957)</u>	<u>(1,588,810)</u>	<u>(1,819,748)</u>		<u>(16,202,504)</u>
Other financing sources (uses)										
Operating transfers-in	23,215	6,997	67,175	25,365	-	122,752	527,908	509,283		489,583
Operating transfers-out	-	-	-	-	-	-	(378,659)	(177,873)		(141,261)
Total other financing sources (uses)	<u>23,215</u>	<u>6,997</u>	<u>67,175</u>	<u>25,365</u>	-	<u>122,752</u>	<u>149,249</u>	<u>331,410</u>		<u>348,322</u>
Net changes in fund balances	1,957	(7,948)	1,786	-	-	(4,205)	(1,439,561)	(1,488,338)		\$ (15,854,182)
Beginning fund balances	<u>5,746</u>	<u>14,165</u>	-	-	-	<u>19,911</u>	<u>44,385,412</u>			
Ending fund balances	\$ <u>7,703</u>	\$ <u>6,217</u>	\$ <u>1,786</u>	\$ -	\$ -	\$ <u>15,706</u>	\$ <u>42,945,851</u>			

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheet
Internal Service Funds
December 31, 2013

	Employees' Medical Trust Fund	Unemployment Trust	Total
ASSETS			
Cash	\$ 25	\$ -	\$ 25
Equity in cash and investment pool	4,127,441	363,277	4,490,718
Accounts receivable	71,056	-	71,056
Interest receivable	2,631	429	3,060
Due from other funds	3,447	-	3,447
	<u>4,204,600</u>	<u>363,706</u>	<u>4,568,306</u>
Total assets			
	<u>4,204,600</u>	<u>363,706</u>	<u>4,568,306</u>
LIABILITIES			
Accounts payable	80,485	-	80,485
Accrued salaries	6,513	-	6,513
Accrued payroll related costs	-	35,097	35,097
Due to other funds	-	-	-
Other liabilities	960,998	-	960,998
Unearned income	135,768	-	135,768
	<u>1,183,764</u>	<u>35,097</u>	<u>1,218,861</u>
Total liabilities			
	<u>1,183,764</u>	<u>35,097</u>	<u>1,218,861</u>
NET POSITION			
	<u>\$ 3,020,836</u>	<u>\$ 328,609</u>	<u>\$ 3,349,445</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the year ended December 31, 2013

	Employees' Medical Trust Fund	Unemployment Trust	Total
Revenues			
Insurance premiums	\$ 10,766,385	\$ -	\$ 10,766,385
Miscellaneous	<u>138</u>	<u>-</u>	<u>138</u>
Total revenue	<u>10,766,523</u>	<u>-</u>	<u>10,766,523</u>
Expenses			
Insurance claims and premiums	9,543,824	106,717	9,650,541
Post employment benefit contribution	209,317	-	209,317
Other	<u>701,651</u>	<u>40</u>	<u>701,691</u>
Total expenses	<u>10,454,792</u>	<u>106,757</u>	<u>10,561,549</u>
Operating income (loss)	311,731	(106,757)	204,974
Other income			
Investment income	<u>(373)</u>	<u>439</u>	<u>66</u>
	<u>(373)</u>	<u>439</u>	<u>66</u>
Net income (loss)	311,358	(106,318)	205,040
Net position - beginning of year	<u>2,709,478</u>	<u>434,927</u>	<u>3,144,405</u>
Net position - end of year	<u>\$ 3,020,836</u>	<u>\$ 328,609</u>	<u>\$ 3,349,445</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Cash Flows
Internal Service Funds
For the year ended December 31, 2013

	Employees' Medical Trust Fund	Unemployment Trust	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments from customers	\$ 1,509,168	\$ -	\$ 1,509,168
Payments from interfund services provided	9,312,278	-	9,312,278
Payments to vendors	(9,691,461)	(94,618)	(9,786,079)
Payments to employees	(188,099)	-	(188,099)
Net cash provided (used) by operating activities	<u>941,886</u>	<u>(94,618)</u>	<u>847,268</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment interest	17,771	2,098	19,869
Redemption (purchases) of investments, net	(959,657)	92,520	(867,137)
Net cash provided (used) by investing activities	<u>(941,886)</u>	<u>94,618</u>	<u>(847,268)</u>
Net increase (decrease) in cash and cash equivalents	-	-	-
Cash and cash equivalents - beginning of year	25	-	25
Cash and cash equivalents - end of year	<u>\$ 25</u>	<u>\$ -</u>	<u>\$ 25</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 311,731	\$ (106,757)	\$ 204,974
Adjustments to reconcile			
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	418,830	-	418,830
(Increase) decrease in due to other funds	(3,183)	-	(3,183)
Increase (decrease) in accounts payable	30,990	-	30,990
Increase (decrease) in accrued wages and related costs	(1,603)	12,139	10,536
Increase (decrease) in other liabilities	171,504	-	171,504
Increase (decrease) in due to other funds	-	-	-
Increase (decrease) in unearned income	13,617	-	13,617
Net cash provided (used) by operating activities	<u>\$ 941,886</u>	<u>\$ (94,618)</u>	<u>\$ 847,268</u>
SCHEDULE OF NON-CASH FINANCING AND INVESTING ACTIVITIES			
Decrease in market value of investments	\$ 18,127	\$ 1,720	\$ 19,847

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheet
Fiduciary Funds - Agency Funds
December 31, 2013

	County Collector's Property Tax Fund	County Trustee	Tax Redemption and Revolving Delinquent Tax Accounts	Circuit Clerk Traffic	Unclaimed Bond Placement	Inmate Personal Accounts	Arbitration Fund	Inheritance Tax	Condemnation Fund
ASSETS									
Cash	\$ 1,077,614	\$ 890,548	\$ 554,719	\$ 3,068,407	\$ -	\$ 238,396	\$ -	\$ -	\$ -
Investments	-	-	-	1,154,609	-	-	-	-	-
Equity in cash and investment pool	625,985	-	-	-	100,918	-	9,225	-	1,363,156
Accounts receivable	-	-	-	-	-	-	-	-	-
Interest receivable	1,321	-	-	139	-	-	-	-	1,178
Total assets	\$ 1,704,920	\$ 890,548	\$ 554,719	\$ 4,223,155	\$ 100,918	\$ 238,396	\$ 9,225	\$ -	\$ 1,364,334
LIABILITIES									
Due to taxing districts	\$ 608,570	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Held pending protested tax settlement	626,077	-	-	-	-	-	-	-	-
Funds held in escrow	470,273	890,548	554,719	4,223,155	100,918	238,396	9,225	-	1,364,334
Total liabilities	\$ 1,704,920	\$ 890,548	\$ 554,719	\$ 4,223,155	\$ 100,918	\$ 238,396	\$ 9,225	\$ -	\$ 1,364,334

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheet
Fiduciary Funds - Agency Funds
December 31, 2013

		Estates of Deceased Persons	County Escheat	Township Pauper Relief	Flood Prevention District	Total
ASSETS						
Cash	\$	-	\$	-	\$	\$ 5,829,684
Investments		-	-	-	-	1,154,609
Equity in cash and investment pool		56,233	8,088	-	7,399,553	9,563,158
Accounts receivable		-	-	-	1,427,591	1,427,591
Interest receivable		39	6	-	2,682	5,365
Total assets	\$	56,272	\$ 8,094	\$ -	\$ 8,829,826	\$ 17,980,407
LIABILITIES						
Due to taxing districts	\$	-	\$	-	\$	\$ 608,570
Held pending protested tax settlement		-	-	-	-	626,077
Funds held in escrow		56,272	8,094	-	8,829,826	16,745,760
Total liabilities	\$	56,272	\$ 8,094	\$ -	\$ 8,829,826	\$ 17,980,407

STATISTICAL SECTION

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

	2013	2012*	2011	2010	2009	2008	2007	2006**	2005**	2004**
<u>Governmental activities</u>										
General government	\$ 20,934	\$ 20,991	\$ 15,549	\$ 21,451	\$ 16,133	\$ 15,976	\$ 15,607	\$ 16,811	\$ 15,464	\$ 16,609
Public safety	36,855	35,157	33,649	33,139	32,692	31,560	30,493	31,353	27,437	25,578
Judicial	14,524	14,709	12,408	11,697	11,446	10,720	10,930	9,553	10,096	9,968
Transportation	12,853	10,142	10,449	10,805	7,101	8,677	9,836	9,265	8,412	9,339
Public health	12,066	11,321	11,922	14,034	12,066	12,047	9,693	9,281	8,637	8,865
Interest on long-term debt	716	738	645	802	823	839	874	896	912	1,032
	97,948	93,058	84,622	91,928	80,261	79,819	77,433	77,159	70,958	71,391
<u>Business-type activities</u>										
Airport operations	16,546	15,885	15,767	18,797	19,176	20,717	19,196	18,294	17,134	15,257
	\$ 114,494	\$ 108,943	\$ 100,389	\$ 110,725	\$ 99,437	\$ 100,536	\$ 96,629	\$ 95,453	\$ 88,092	\$ 86,648

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

**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)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities										
Property taxes	\$ 31,868	\$ 32,573	\$ 33,149	\$ 33,601	\$ 33,245	\$ 32,072	\$ 31,787	\$ 27,845	\$ 26,130	\$ 24,884
Sales taxes	8,848	8,868	8,803	8,594	7,303	7,760	8,109	7,905	7,526	7,246
State income tax	5,273	4,857	4,286	4,380	4,983	6,034	5,961	5,493	5,042	4,373
Personal property replacement tax	2,632	2,301	2,381	2,543	2,422	2,748	2,968	2,439	2,616	1,661
Other taxes	121	62	103	128	139	152	160	155	116	189
Charges for goods and services	25,551	27,179	24,536	25,342	25,461	25,246	27,144	25,024	23,404	23,396
Operating grants and contributions	11,814	11,215	12,591	13,686	14,263	16,744	10,932	10,759	12,757	10,475
Motor fuel tax	5,165	4,879	4,874	5,056	4,791	4,643	4,959	5,033	5,055	4,947
Capital grants and contributions	1,035	1,430	2,372	3,430	229	2,656	163	4,071	1,703	1,691
Earnings on investments	89	784	997	1,924	2,284	6,397	9,614	8,519	4,659	3,148
Miscellaneous	2	22	120	30	(18)	4	71	74	212	177
	<u>92,398</u>	<u>94,170</u>	<u>94,212</u>	<u>98,714</u>	<u>95,102</u>	<u>104,456</u>	<u>101,868</u>	<u>97,317</u>	<u>89,220</u>	<u>82,187</u>
Business-type activities										
Charges for goods and services	3,533	3,444	3,704	3,166	2,139	5,164	4,909	5,031	3,573	2,021
Operating grants and contributions	-	2	-	3,043	2,954	421	552	70	10	281
Capital grants and contributions	936	3,095	655	388	747	389	282	336	4,216	6,274
Earnings on investments	128	127	140	157	220	1,991	2,816	1,999	1,188	789
Miscellaneous	(24)	-	(17)	-	16	(630)	(63)	(47)	-	-
	<u>4,573</u>	<u>6,668</u>	<u>4,482</u>	<u>6,754</u>	<u>6,076</u>	<u>7,335</u>	<u>8,496</u>	<u>7,389</u>	<u>8,987</u>	<u>9,365</u>
	<u>\$ 96,971</u>	<u>\$ 100,838</u>	<u>\$ 98,694</u>	<u>\$ 105,468</u>	<u>\$ 101,178</u>	<u>\$ 111,791</u>	<u>\$ 110,364</u>	<u>\$ 104,706</u>	<u>\$ 98,207</u>	<u>\$ 91,552</u>

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General government	\$ 45,235,986	\$ 43,939,118	\$ 39,193,909	\$ 40,667,979	\$ 37,457,205	\$ 40,813,403	\$ 38,134,268	\$ 35,485,814	\$ 33,921,853	\$ 31,697,903
Transportation	9,716,069	11,938,356	13,262,343	9,407,154	9,314,965	12,839,138	12,072,259	7,096,166	6,393,458	7,427,942
Public health	10,914,700	10,655,986	11,211,313	11,344,650	10,610,128	10,171,816	9,412,283	8,760,260	8,210,728	8,364,157
Public safety	22,741,234	21,941,580	21,501,870	21,237,430	28,660,663	22,051,893	21,621,342	21,808,729	22,646,821	19,536,552
Judicial	7,737,208	7,368,321	7,027,583	6,842,081	7,307,985	6,907,125	6,495,973	6,532,644	6,122,224	6,292,457
Debt service	4,902,059	4,738,950	1,863,125	1,870,400	325,150	1,898,300	1,899,995	1,901,875	1,818,088	1,902,195
	<u>\$101,247,256</u>	<u>\$100,582,311</u>	<u>\$ 94,060,143</u>	<u>\$ 91,369,694</u>	<u>\$ 93,676,096</u>	<u>\$ 94,681,675</u>	<u>\$ 89,636,120</u>	<u>\$ 81,585,488</u>	<u>\$ 79,113,172</u>	<u>\$ 75,221,206</u>

*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)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Property taxes	\$ 31,867,776	\$ 34,243,229	\$ 31,133,257	\$ 35,521,176	\$ 31,324,491	\$ 32,024,670	\$ 31,780,658	\$ 27,844,501	\$ 26,129,767	\$ 24,890,242
Sales tax	8,874,363	8,810,715	8,767,006	8,399,535	7,358,089	7,819,701	8,075,503	7,810,545	7,508,947	7,215,116
State income tax	5,683,703	5,006,997	4,731,444	3,808,188	4,667,969	6,279,718	5,793,035	5,384,277	4,921,825	4,463,504
Personal property replacement tax	2,541,093	2,292,186	2,287,994	2,596,425	2,408,048	2,854,381	2,897,583	2,450,053	2,282,576	1,660,535
Hotel/motel tax	8,486	13,384	13,830	14,338	14,884	15,086	16,262	15,776	17,291	13,538
Pari-mutuel tax	51,365	40,756	93,016	116,035	123,077	135,155	144,130	141,545	150,217	171,226
Motor fuel tax	5,059,252	4,878,453	4,866,442	5,048,088	4,883,073	4,620,032	4,981,350	5,203,694	5,065,123	4,915,818
Other taxes	55,727	749	-	-	-	-	-	-	-	-
Revenue from federal/state agencies	10,044,688	10,170,846	9,559,657	9,658,760	15,343,433	9,807,670	10,083,440	12,735,132	13,396,255	10,129,620
Revenue from local government	3,510,926	3,249,849	3,387,840	3,518,196	4,315,696	4,559,176	2,529,085	2,536,435	3,150,683	2,006,224
Licenses, permits, fines, fees, and services	22,500,280	23,899,332	20,764,141	22,513,423	22,454,045	22,263,036	22,514,074	21,501,113	21,216,636	20,788,461
Earnings on investments	776,477	822,976	813,161	1,967,010	2,762,628	6,107,564	8,875,095	7,701,387	4,580,154	3,368,878
Miscellaneous revenues	40,227	53,511	186,061	921,966	63,629	310,976	879,302	328,300	390,759	216,892
	<u>\$ 91,014,364</u>	<u>\$ 93,482,983</u>	<u>\$ 86,603,849</u>	<u>\$ 94,083,140</u>	<u>\$ 95,719,062</u>	<u>\$ 96,797,166</u>	<u>\$ 98,569,517</u>	<u>\$ 93,652,758</u>	<u>\$ 88,810,233</u>	<u>\$ 79,840,054</u>

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

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

	2013	2012*	2011	2010	2009**	2008**	2007**	2006**	2005**	2004**
Governmental activities										
Net investment in capital assets										
Restricted	\$ 126,366,693	\$ 125,575,053	\$ 114,976,772	\$ 107,296,887	\$ 102,997,984	\$ 93,217,282	\$ 77,608,921	\$ 66,741,398	\$ 58,997,031	\$ 68,547,045
Unrestricted	103,540,099	85,291,841	90,708,155	91,241,360	92,900,209	90,614,090	87,635,649	84,467,270	66,746,215	59,624,931
	29,003,724	60,396,986	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 position	\$ 258,910,516	\$ 271,263,880	\$ 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										
Net investment in capital assets										
Restricted	\$ 95,861,298	\$ 110,057,335	\$ 102,161,775	\$ 107,043,726	\$ 110,589,303	\$ 97,855,349	\$ 95,242,618	\$ 118,993,869	\$ 120,475,916	\$ 119,797,619
Unrestricted	(18,335,255)	(27,361,379)	(14,978,687)	(11,809,561)	(7,311,746)	11,604,605	17,954,870	(1,670,361)	1,830,880	5,230,335
Total business-type activities net position	\$ 77,526,043	\$ 82,695,956	\$ 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										
Net investment in capital assets										
Restricted	\$ 222,227,991	\$ 235,632,388	\$ 217,138,547	\$ 214,340,613	\$ 213,587,287	\$ 191,072,631	\$ 172,851,539	\$ 185,735,267	\$ 179,472,947	\$ 188,344,664
Unrestricted	103,540,099	85,291,841	90,708,155	91,241,360	92,900,209	102,218,695	105,590,519	84,467,270	68,577,095	64,855,266
	10,668,469	33,035,607	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 position	\$ 336,436,559	\$ 353,959,836	\$ 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 retroactive application of GASB 65 - Items Previously Reported as Assets and Liabilities

**Restated for allocation of net position

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

Fiscal year extended & collected Tax year	2013 2012	2012 2011	2011 2010	2010 2009	2009 2008	2008 2007	2007 2006	2006 2005	2005 2004	2004 2003
Real property										
Estimated actual value	\$ 12,999,621	\$ 13,396,659	\$ 13,775,583	\$ 14,171,085	\$ 14,082,051	\$ 13,208,217	\$ 11,933,253	\$ 10,870,998	\$ 10,016,868	\$ 9,125,202
Locally assessed values	\$ 4,333,207	\$ 4,465,553	\$ 4,591,861	\$ 4,723,695	\$ 4,694,017	\$ 4,402,739	\$ 3,977,751	\$ 3,623,666	\$ 3,338,956	\$ 3,041,734
Equalized assessed values										
without railroads & TIFs	\$ 3,986,047	\$ 4,062,664	\$ 4,148,996	\$ 4,219,235	\$ 4,158,036	\$ 3,929,800	\$ 3,584,928	\$ 3,283,062	\$ 3,024,878	\$ 2,731,285
Less:										
"1790" homestead exemption	(375,753)	(374,647)	(375,753)	(397,721)	(359,461)	(321,333)	(317,580)	(314,218)	(312,483)	(215,820)
Senior citizen										
homestead exemption	(69,346)	(71,857)	(69,346)	(71,693)	(69,912)	(60,552)	(59,157)	(50,351)	(49,401)	(33,908)
P.A. 83-533	(164)	-	(164)	(161)	(188)	(181)	(183)	(190)	(178)	(201)
Senior citizen tax freeze	(68,596)	(57,443)	(68,596)	(83,110)	(80,747)	(71,494)	(63,853)	(56,325)	(53,452)	(37,727)
Veteran's exemption/freeze	(3,393)	(933)	(3,393)	(4,406)	(3,085)	(1,187)	(744)	(531)	(461)	(409)
Other exemptions	(3,208)	(1,039)	(3,208)	(3,599)	(2,163)	(814)	(461)	(609)	-	-
Home improvement exemption	(372)	(218)	(372)	(470)	(569)	(731)	(636)	(672)	(750)	(891)
Billing value before railroad	3,465,215	3,556,527	3,628,164	3,658,075	3,641,911	3,473,508	3,142,314	2,860,166	2,608,153	2,442,329
State assessed railroad EAV	42,950	39,648	36,697	32,502	27,816	27,231	25,251	24,703	25,178	24,587
Total equalized real property used for taxes	\$ 3,508,165	\$ 3,596,175	\$ 3,664,861	\$ 3,690,577	\$ 3,669,727	\$ 3,500,739	\$ 3,167,565	\$ 2,884,869	\$ 2,633,331	\$ 2,466,916
TIF/Enterprise zone values	\$ 377,289	\$ 402,888	\$ 442,866	\$ 504,469	\$ 535,980	\$ 469,538	\$ 390,668	\$ 339,037	\$ 311,095	\$ 302,833
Ratio of equalized assessed value to locally assessed value- non-agricultural	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

ST. CLAIR COUNTY, ILLINOIS
Property Tax Rates
(per \$100 of Equalized Assessed Value)
(unaudited)

Fiscal year extended & collected Tax year	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2003
General Fund Tort Fund	0.1126	0.1133	0.1139	0.1166	0.1229	0.1317	0.1456	0.1529	0.1599	0.1602	
	0.0884	0.1074	0.1103	0.1104	0.1112	0.1143	0.1263	0.1282	0.0207	0.1476	
	<u>0.2010</u>	<u>0.2207</u>	<u>0.2242</u>	<u>0.2270</u>	<u>0.2341</u>	<u>0.2460</u>	<u>0.2719</u>	<u>0.2811</u>	<u>0.1806</u>	<u>0.3078</u>	
Special revenues funds	<u>0.7113</u>	<u>0.6925</u>	<u>0.6916</u>	<u>0.6898</u>	<u>0.6820</u>	<u>0.6660</u>	<u>0.7371</u>	<u>0.6904</u>	<u>0.8103</u>	<u>0.7042</u>	
Debt service fund	-	-	-	-	-	-	-	-	-	-	
	<u>0.9123</u>	<u>0.9132</u>	<u>0.9158</u>	<u>0.9168</u>	<u>0.9161</u>	<u>0.9120</u>	<u>1.0090</u>	<u>0.9715</u>	<u>0.9909</u>	<u>1.0120</u>	

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

Fiscal year extended & collected Tax year	2013 2012	2012 2011	2011 2010	2010 2009	2009 2008	2008 2007	2007 2006	2006 2005	2005 2004	2004 2003
Original extension	\$ 32,010,176	\$ 32,840,273	\$ 33,562,790	\$ 33,904,501	\$ 33,618,874	\$ 31,927,439	\$ 31,961,243	\$ 28,026,978	\$ 26,093,495	\$ 24,965,251
Billing adjustments	(201,236)	(219,150)	(191,947)	(282,658)	(258,721)	(179,444)	(192,830)	(150,808)	(126,772)	(88,376)
Final Extension	31,808,940	32,621,123	33,370,843	33,621,843	33,360,153	31,747,995	31,768,413	27,876,170	25,966,723	24,876,875
Collections	31,680,845	32,308,804	33,027,629	33,445,423	33,226,527	31,613,647	31,667,482	27,777,712	25,900,810	24,746,367
Taken by County Trustee/forfeited	\$ 128,095	\$ 312,319	\$ 343,214	\$ 176,420	\$ 133,626	\$ 134,348	\$ 100,931	\$ 98,458	\$ 65,913	\$ 130,508
Percent collected	99.60%	99.04%	98.97%	99.48%	99.60%	99.58%	99.68%	99.65%	99.75%	99.48%
Back taxes collected*	\$ (24,002)	\$ (1,047)	\$ 48,701	\$ (199,409)	\$ (148,940)	\$ 355,575	\$ 14,741	\$ 922	\$ 95,217	\$ 96,561

*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, 2010, 2012 and 2013, back taxes refunded exceeded back taxes collected and were paid from current tax collections.