

ST. CLAIR COUNTY

ILLINOIS



ANNUAL AUDIT REPORT

For the Fiscal Year Ended December 31, 2015

ST. CLAIR COUNTY, ILLINOIS

Annual Financial Report

For the year ended December 31, 2015

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

ST. CLAIR COUNTY, ILLINOIS
Annual Financial Report
For the year ended December 31, 2015

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INTRODUCTORY SECTION



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August 22, 2016

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, 2015, 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, 2015, 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, 2015 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 Illinois' first county having been created 28 years prior to the State being created. It is located along the Mississippi River across from St. Louis, Missouri. The County encompasses 673 square miles of both rural and urban areas. Its largest city is the City of Belleville, which is also the county seat. The County is the ninth largest in the state with a population of approximately 270,056.

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, except the Board of Review members who are elected to staggered six-year terms.

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

The annual budget is on the cash basis and serves as the foundation for the County's financial planning and control. All departments of the County are required to submit requests for appropriation on a cash basis to the County Administrator each year. The Administrator uses

these requests as a starting point for developing a proposed budget. The Finance Committee of the County Board works with the 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. Sales, Personal Property Replacement and Income Tax revenues have finally rebounded to the 2008 levels but other state revenues have been dramatically reduced or significantly delayed. In some cases, the State has shifted its financial responsibilities to local governments. The County has made concentrated efforts to hold its tax rates constant; however, revenues continue to be impacted by the use of Tax Increment Financing (TIF) agreements by its municipalities. Designed as a tool to promote economic development, growths in tax revenues from increased valuations have been thwarted by TIFs; resulting in lost County tax revenues of \$3.5 million for 2015. These losses are exacerbated by the extension of the TIF beyond its initial 23 year period. There are currently 73 TIF districts in the County with expiration dates ranging from 2017 to 2035 and 4 more in progress. Assuming there are no further extensions or new TIF districts created, lost tax revenue will continue at this \$3.5 million rate annually.

The County's unemployment rate for its entire labor force for December, 2015 was 6.5%. Due to its varied industries and its proximity to St. Louis, the metropolitan region's rate was 6.1%. The rate for the State of Illinois was 6.1%. The County provides industrial, manufacturing, service and agricultural employment and has a highly skilled workforce. Scott Air Force Base is the largest employer with 13,000 government, civilian, and military employees. The Base continues to expand bringing additional jobs to the County and is assisted in that task by a regional, civilian task force co-created by the County Board Chairman. Scott AFB has an annual economic impact of \$3.1 billion.

There continues to be growth and development in the County. Growth tends to be concentrated in the eastern part of the County with the latest expansions made at Scott Air Force Base and MidAmerica St. Louis Airport.

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 Class 1 railroads and two Class 3 railroads provide rail freight service to the area. Amtrak currently serves residents who wish to travel from current stations in downtown St. Louis or Alton, Illinois. The Mississippi and Kaskaskia Rivers provide barge freight service connecting the Great Lakes and the St. Lawrence Seaway to the Gulf of Mexico. In addition, two airports are located in the County: St. Louis Downtown Airport and MidAmerica St. Louis Airport (MidAmerica). St. Louis Downtown Airport is the base for several service, MRO, and charter operations. MidAmerica is one of Illinois' 13 primary airports. Along with scheduled passenger service, MidAmerica and Scott Air Force Base jointly operate a civilian/military airport hosting scheduled and charter passenger service, charter cargo service, general aviation, and military operations. Allegiant Airlines provides passenger service. The airline expanded its services in 2014, 2015 and again in early 2016. 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 and the Illinois Army Guard's "Midamerica Armory" also resides at the Airport. The Airport holds a foreign trade zone location designation and has a Customs and Border Patrol facility on site. A 56,000 square foot refrigerated warehouse houses North Bay Produce which operates a redistribution center for perishable fruits and vegetables. North Bay Produce looks to expand its international import/export activities of perishable goods. International cargo operations 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. Additional expansion of MetroLink in Missouri has increased connections to other southwest St. Louis County locations. 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 community college offering various associate degrees while McKendree University, the oldest college in Illinois, and Lindenwood University, offer more advanced degrees. Lindenwood University-Belleville has continued to grow both full-time traditional age student attendance and evening adult students. The Lindenwood University-Belleville campus has experienced over \$16 million in new construction and major renovations.

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 is being constructed by the state near Scott Air Force Base/MidAmerica St. Louis Airport. This interchange should facilitate current expansion at the Base and is expected to increase commercial development in the area where the County owns significant acreage. It is estimated that the value of the County's investment in the property around the airport has already risen substantially in the last few years. 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 primarily by a sales tax to improve existing levies along the Mississippi River. Representatives of these metro-east communities formed a task force to work closely with the Corps of Engineers to mitigate flood hazards in the areas along the river. These improvements have become especially critical as more than \$50 million has been invested in the expansion of barge/rail/truck terminals within the County along the Mississippi River with more projects in the engineering phases.

As development in the County continues to expand, the needs of County government also increase. The County has committed to major improvements and expansions to its 911 emergency systems. The County continues to evaluate operating and storage needs as well as building repairs, improvements and renovations. The County, in conjunction with the Public Building Commission, has compiled a list of major upgrades for existing buildings under a new five-year plan detailing certain renovations and improvements.

The County continues to explore development opportunities for the region, especially at MidAmerica St. Louis Airport, in conjunction with the expansion of Scott Air Force Base (Scott). The military base is the #1 employer in the County. Military, County and other local leaders continue to work on joint-use planning. Built as a joint-use facility, the connection between the Scott runway and the runway at MidAmerica St Louis Airport provides the military additional runway space. Expansion of military activities at the base over the last several years has lead to increased personnel working at the base and the expansion of military housing. The Defense Information Systems Agency (DISA) has just completed a new facility that houses 750 employees. It officially opened in early August, 2015.

MidAmerica St Louis Airport has a Customs and Border Patrol facility to comply with stricter requirements under Homeland Security regulations. U.S. legislators from Illinois and other local leaders were able to secure an international port of entry status for MidAmerica. The cargo facilities that can accommodate both dry and refrigerated commodities, will allow for operations for importing and exporting perishable fruits and vegetables. Concentrated efforts to bring scheduled international cargo flights continue as well as increasing passenger service. Airport officials believe the return of passenger service will expand further leading to the increased collection of Passenger Facility Charges and eligibility for additional Airport Improvement funding from the FAA.

Cash Management Policies and Practices

The County Treasurer concentrates on ensuring that cash balances are invested at all times. Cash balances fluctuate considerably during the year due predominantly to the timing of real estate tax collections, but delayed state revenues and 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 up only slightly from prior years due to the continued 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 June 2015, the County took advantage of the lower long-term bond rates by refinancing certain bonds.

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 control insurance costs through its self-insurance programs. Costs had been rising significantly each year and the County is in constant review of its coverages, deductibles, and other ways to reduce costs including petitioning legislators regarding workmen's compensation reform. The insured assets and activities of the County continue to increase thereby increasing the overall insurance exposures for the County. General government premiums for general liability, property, and worker's compensation insurance premiums increased from \$1,521,000 in 2014 to \$1,571,000 in 2015. Airport insurance premium expenses increased; \$451,000 in 2015 from \$440,000 in 2014. Other self-insured claims rose by more than \$1.3 million.

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 2015 costs, net of stop loss reimbursements, were \$12.5 million, up nearly \$3 million from 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 as it struggles to minimize the effects of the Affordable Care Act on costs.

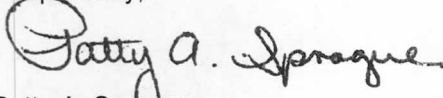
Employee Retirement System

The County is a participating member, by state statute, in a contributory multi-employer retirement plan administered by the Illinois Municipal Retirement Fund (IMRF), which covers all employees who meet certain criteria. The annual County contribution is based upon rates fixed annually by IMRF to provide funding of prior service costs, including interest, as determined actuarially, over a period of not more than thirty years. The County continues to pay its annual required contribution each year as actuarially determined by IMRF for all three plans: Regular, Special Law Enforcement (SLEP) and Elected County Officials (ECO). From 2003 to 2015, the rates have changed as follows: Regular employees, .96% to 10.45%; SLEP (law enforcement), 12.80% to 22.27%; and ECO (elected officials), 44.31% to 53.29%. These increased slightly for 2016.

In 2015, the County was required to implement a new governmental accounting standard related to reporting pension costs and pension liabilities. GASB Statement 68, *Accounting and Financial Reporting for Pensions* required the restatement of (reduction in) the 2014 Net Position by more than \$11 million as state and local governments must now report their net pension liabilities and associated deferrals on the face of their financial statements. This had only been a footnote disclosure in the past. Each year this estimated liability and related deferrals are recalculated and the net change is included in the expenses on the Statement of Activities. For 2015, this change, and accordingly additional pension expense, was in excess of \$6.8 million more than the contributions made of \$5.3 million. These changes had not been recorded in prior years. For 2014, the net pension liability for the County was \$19.7 million offset by deferrals of \$8.6 million under the new reporting rules. At December 31, 2015, the estimated net pension liability was \$38 million with deferral offset of \$19.9 million.

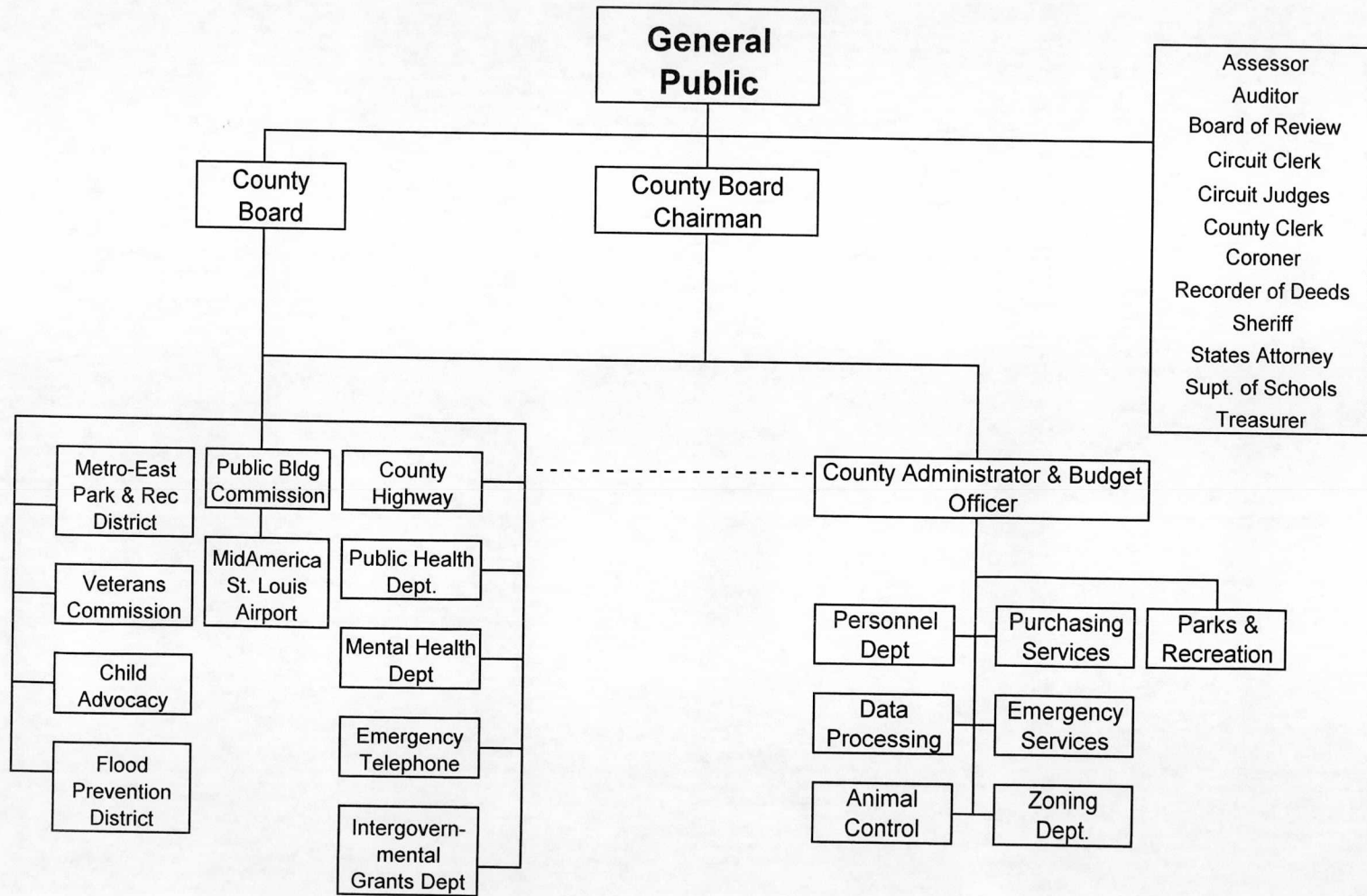
The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the St. Clair County Auditor's office and the Administration. We would like to express our appreciation to those who assisted and contributed to the preparation of this report. 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, 2015



ST. CLAIR COUNTY, ILLINOIS

Principal Officials

December 31, 2015

County Board Members

DIST	BOARD MEMBER
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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 Grosseemann-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	Fred Boch
24	Marty Crawford
25	Lorraine Haywood
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 Clay, 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
Jim Wilson, Board of Review
Michael Crockett, Board of Review
John Baricevic, Chief Judge of the Circuit Court

Appointed Officials

Debra Moore, Director of Administration
Barbara Hohlt, Public Health Administrator
Dana Rosenzweig, Executive Director, Mental Health Board
Terry Beach, Director, Intergovernmental Grants/Economic Development
James Fields, Superintendant of Highways
Dave Lang, Director, Data Processing
John Hughes, Manager, Central Services
Frank Bergman, Manager, Human Resources
Anne Markezich, Director, Zoning/Mapping & Platting
Herb Simmons, Emergency Services & Disaster Agency
Norman Touchette, Parks
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, 2015, 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. 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 on Aggregate Discretely Presented Component Units

The financial statements referred to above do not include financial data for the County's legally separate component units. Accounting principles generally accepted in the United States of America require financial data for those component units to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. 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 on Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of St. Clair County, Illinois, as of December 31, 2015, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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, and each major fund for the primary government of St. Clair County, Illinois, as of December 31, 2015, 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.

Emphasis of a Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the year ended December 31, 2015 the County adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

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 14, the Multiyear Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of Employer Contributions, and the notes to Net Pension Liability and Contribution Schedules on pages A1-A3, the Other Post Employment Benefits Schedule of Funding Progress on page A4, the budgetary comparison information on pages A5 through A8 and the Notes to Required Supplementary Information on page A9 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 fund financial statements and schedules 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.

Scheffel Boyle

Scheffel Boyle
Belleville, Illinois
August 22, 2016

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, 2015. 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 \$281,568,000 (net position). Of this amount, \$91,378,000 is restricted for specific purposes of governmental activities. \$218,655,000 accounts for the net capital assets less related debt.
- The County implemented GASB Statement 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement 27*, which resulted in a Net Pension Liability being reported in the amount of \$36,445,000. Related Deferred Outflows and Deferred Inflows Related to Pension Liability were also reported in the amounts of \$19,905,000 and \$1,658,000, respectively.
- The County's operating expenses for governmental activities increased by \$7.5 million from the prior year of which \$6.8 million was a result of the GASB 68 pension reporting changes (only presented in the footnotes in prior years) and an additional \$4.4 million increases in tort (\$1.4 million) and medical insurance (\$3 million) costs.

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 15-17 of this report.

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

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

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

The County maintains 38 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Lease Payable Fund, Transportation Fund and the Debt Service Fund, all of which are considered to be major funds. Data from the other 34 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages B7-B17 of this report.

The basic governmental fund financial statements can be found on pages 18 and 20 of this report.

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

governmental rather than the business-type functions. They have been included with the governmental activities in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the MidAmerica St. Louis Airport. The Airport is considered to be a major fund of St. Clair County. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements on pages B18-B19 of this report.

The basic proprietary funds financial statements can be found on pages 22-26 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 27-28 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 29.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning St. Clair County beginning on page A1. The County adopts an annual appropriated budget on the cash basis for its governmental funds. Budgetary comparison schedules have been provided for the General, the Transportation, the Lease Payable, and the Debt Service funds to demonstrate compliance with the budget on pages A5-A8. Budgetary comparison for the non-major governmental funds can be found as part of the combining statements.

The combining statements referred to earlier in connection with non-major governmental funds, internal service funds, and the fiduciary funds are presented immediately following the required supplemental information. Combining and individual fund statements and schedules can be found on pages B1-B22 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 \$281,568,000 at the close of 2015.

The governmental activities' assets account for 70% of total assets/deferred outflows of the County; 61% of the liabilities/deferred inflows; and 76% of net position. Nearly 56% of total assets are invested in capital assets of which nearly half of the capital assets are attributable to the Airport infrastructure.

St. Clair County's Net Position

(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current assets	\$ 186,444	\$ 200,288	\$ (2,392)	\$ (835)	\$ 184,052	\$ 199,453
Restricted assets	-	-	1,839	4,858	1,839	4,858
Capital assets	137,477	135,366	139,059	144,538	276,536	279,904
Deferred outflows- pensions	19,531	-	374	-	19,905	-
Deferred outflows-other	1,682	1,935	10,419	7,104	12,101	9,039
Total assets/deferred outflows	345,134	337,589	149,299	155,665	494,433	493,254
Current liabilities	\$ 11,634	\$ 11,377	\$ 3,424	\$ 3,603	\$ 15,058	\$ 14,980
Net pension liabilities	35,986	-	459	-	36,445	-
Other long-term liabilities	48,181	45,893	78,522	78,553	126,703	124,446
Deferred inflows pensions	1,658	-	10	-	1,668	-
Deferred inflows-other	32,991	32,826	-	-	32,991	32,826
Total liabilities/ deferred inflows	130,450	90,096	82,415	82,156	212,865	172,252
Net position:						
Net investment in capital assets	130,726	126,390	87,929	87,481	218,655	213,871
Restricted	91,378	105,593	455	412	91,833	106,005
Unrestricted	(7,420)	15,510	(21,500)	(14,384)	(28,920)	1,126
Total net position	\$ 214,684	\$ 247,493	\$ 66,884	\$ 73,509	\$ 281,568	\$ 321,002

Current and restricted assets, comprised predominantly of cash and investments and receivables, decreased \$18.4 million from 2014. Cash and investments dropped significantly, \$11 million, as a result of declining revenues and debt service payments even though expenditures were also reduced. Receivables were down \$1.1 million; predominately from federal/state revenues and reimbursements. Taxes receivable had a minimal increase of \$61,000. Property tax receivables of \$31.6 million in 2015 are included in current assets but will not be collected until mid-2016 to finance the 2016/2017 expenditures. 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 \$1.4 million at the end of 2015 that 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. Approximately \$3 million of the 2014 balance was used in refinancing long-term bonds. These investments represent reimbursements from a Federal Aviation Administration (FAA) grant that has been set aside for repayment of Airport debt.

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 2015 included the completion of \$10 million in capital asset additions; road infrastructure, \$5.6 million; equipment, \$2 million; and land and buildings, \$2.5 million. Another \$4 million remains in progress. Road infrastructure (including related land), net of accumulated depreciation continues to be the more significant part of the capital assets of the governmental funds at nearly \$81.7 million or 59% 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, 2015, the County maintained 240 miles of roads. Of this, 148 miles are considered oil and chip roads and another 22 miles are asphalt roads, both of which were acquired or constructed prior to 1980. In most cases these roads have had little improvements other than routine maintenance. Accordingly, these roads have not been capitalized. The County uses a threshold of \$100,000 per road mile for its capitalization policy.

The business-type activity capital assets are with MidAmerica St. Louis Airport operations. These assets, which account for 93% 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.

The County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement 27*. As a result, deferred outflows of \$19,905,000 were reported for 2015. Non-current liabilities were also reported in the amount of \$36,445,000 and \$1,658,000 in deferred inflows as a result of net pension liability being reported. A prior period adjustment of approximately \$11,250,000 was also posted against net assets due to the County's implementation of GASB Statement No. 68. Of that adjustment, a \$44,000 increase was attributed to the business-type activities.

Long-term debt represents a major component of liabilities/deferred inflows (93%) and, for the most part, is a direct result of financing capital assets and improvements and interest accretion on outstanding debt. In 2015, the County entered into an equipment financing agreement in the amount of \$2,879,000 for the expansion of the 911 system. 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 \$281,568,000 (net position). Over 32% of net position is restricted for specific use; \$91,833,000 are restricted for specific purposes of governmental activities and business-type activities. The investment in net capital assets less related debt was \$218,655,000 at the end of 2015.

Net position of St. Clair County decreased by \$39.4 million from 2014; \$11.2 million is related to the prior period pension liability adjustment required for GASB 68 (as previously discussed). Governmental activities experienced a negative change of \$14.9 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	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 26,133	\$ 26,013	\$ 3,626	\$ 3,957	\$ 29,759	\$ 29,970
Operating grants & contributions	16,059	18,496	-	-	16,059	18,496
Capital grants & contributions	1,160	4,868	501	455	1,661	5,323
General revenues:						
Property taxes	31,994	30,826	-	-	31,994	30,826
Other taxes	17,873	16,939	-	-	17,873	16,939
Investment earnings	843	1,001	83	131	926	1,132
Other	526	22	15	157	541	179
Total revenues	94,588	98,165	4,225	4,700	98,813	102,865
Expenses:						
General government	24,454	20,903	-	-	24,454	20,903
Public safety	41,252	37,030	-	-	41,252	37,030
Judicial	16,565	14,646	-	-	16,565	14,646
Transportation	14,551	16,692	-	-	14,551	16,692
Public health	11,987	12,020	-	-	11,987	12,020
Interest - long-term debt	710	713	-	-	710	713
Airport operations	-	-	17,478	16,296	17,478	16,296
Total expenses	109,519	102,004	17,478	16,296	126,997	118,300
Increase (decrease) in net position before transfers	(14,931)	(3,839)	(13,253)	(11,596)	(28,184)	(15,435)
Transfers	(6,583)	(7,579)	6,583	7,579	-	-
Increase (decrease) in net position	(21,514)	(11,418)	(6,670)	(4,017)	(28,184)	(15,435)
Net position-beginning (restated)	236,198	258,911	73,554	77,526	309,752	336,437
Net position-ending	\$ 214,684	\$ 247,493	\$ 66,884	\$ 73,509	\$ 281,568	\$ 321,002

Governmental Activities

Total governmental revenues fell \$3.6 million from 2014. Charges for services were up only \$120,000. Operating grants were lower by \$2,437,000. The elimination of the special Illinois Jobs Now/Motor Fuel Tax program paid in previous years accounted for \$1.4 million of the decline. Reductions in public safety and other public health program grants also contributed to the decrease. Capital grants fell by \$3.7 million. In 2014 the County had received \$1.1 million in public safety equipment and \$2.6 million more in federal/state highway funds than in 2015. There was an increase in property taxes of nearly \$1.2 million as taxable assessments rose slightly, rates went from .9080 to .9385, and the percentage of taxes billed and collected increased. Property taxes continue to account for approximately 34% of governmental revenues. Other taxes rose by \$934,000. Increases were predominately in state income and sales taxes. Investment earnings were down again by \$158,000.

Overall governmental expenses increased by nearly \$7.5 million. Of this increase, \$6.8 million is attributable to the new requirements for calculating and reporting changes in pension liability estimates (GASB 68). Payroll decreases spread across all functional areas totaled nearly \$630,000 but were offset by increases of \$4.4 million in insurance costs, employee medical and tort. The more significant changes in Transportation costs tend to fluctuate with weather and

scheduled projects and whether a project is an improvement to a County road or maintenance only.

Business-type Activities

Built as a joint-use military/civilian facility with Scott Air Force Base, the operating deficits of the Airport have included a significant amount of fixed costs required to keep the runway open as part of the compliance with FAA grant assurances and the joint-use agreement with Scott Air Force Base. These costs include, but are not limited to, fire safety and security, insurance, and runway maintenance. The Airport posted a \$6.6 million reduction in net position for 2015 of which \$6.2 was from depreciation. Airport revenues were lower by \$475,000. The slight increase in capital funding from the FAA and the state was \$46,000 while there were decreases in charges from services and net gain on the disposal of assets. Costs increased \$1,182,000 from the prior year.

Net sales for fuel decreased slightly. Fuel prices continued to fluctuate significantly during the year with a major drop later in the year impacting gross profits. However, the number of gallons sold increased more than 300,000 gallons as passenger service increased. The increase of nearly 20,000 passengers attributed to the increase of nearly \$47,000 in Passenger Facility Charges collected.

The Airport received capital grants for airfield lighting improvements and other equipment from the government surplus program totaling nearly \$501,000. The timing of eligible FAA participation projects impacts the recognition of capital grant revenues from year to year.

Overall expenses were more by \$1,182,000. Fuel purchases were \$228,000 less with the falling prices, while other operating expenses (without regard to depreciation) increased by \$240,000 due in large part to passenger services. Depreciation of \$6.2 million accounted for 36% of Airport expenses.

Interest continues to be a major expense of the Airport. Interest expense was \$4.7 million in 2015. Interest of \$181,000 was accrued as part of the accretion of the capital appreciation bonds and \$3,448,000 was charged for the current interest bonds and other debt. Bond refinancing costs were \$625,000. Amortization of premiums and deferred loss was \$1,085,000 in 2015.

The County continues to subsidize the Airport through operating transfers from other County funds. These transfers included cash of \$306,000 and costs paid on behalf of the Airport. These costs included personnel benefit costs of \$370,000, insurance of \$466,000, and debt service of \$5,416,000. In addition the County made capital grant matching payments of \$25,000.

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 2015, St. Clair County's governmental funds reported combined ending fund balances of approximately \$142 million, a decrease of \$12 million from 2014, after a transfer of \$6.6 million to the Airport, inclusive of benefits, insurance, and debt service as discussed above under business-type activities. Approximately \$14.5 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 nearly \$16 million, while the total fund balance was \$42 million. Certain prepaid expenses and inventory account for \$1.8 million of non-spendable fund balances while \$151,000 is contractually restricted. The County has committed \$5.7 million to fund certain County capital projects in 2016, \$1.1 million for GIS and automation expenses, \$877,000 for debt service, and another \$15.7 million for working cash which approximates six months operating expenses.

There was a \$1.7 million decrease in the fund balance for the General Fund. Revenues increased by nearly \$600,000 and expenditures were less by approximately \$914,000; net transfers to other funds were \$1,667,000 lower than 2014. Property taxes higher by \$370,000, and state income, personal property tax replacement, and sales tax increased by \$729,000. Revenues for licenses and fees declined \$595,000 from 2014 due in part to decreases in the collections of court fees and fines. Revenues from federal and state agencies were \$86,000 less in 2015. Investment earnings were lower by \$47,000.

The Transportation Fund had a fund balance of \$47 million at the end of 2015. This was down \$2.9 million from 2014. Revenues and expenditures fluctuate from year to year due to construction projects and participation by federal, state, and other local units. Revenues dropped almost \$4,908,000; motor fuel tax went down \$1,407,000 while federal, state, and local contributions for projects went down \$3,698,000. Expenditures increased \$269,000. Transfers of \$1,977,000 were paid to the debt service fund during the year to fund principal and interest payments on the outstanding highway construction bonds.

The Lease Payable fund balance was lower by nearly \$1.7 million. Property taxes increased \$124,000. Taxes are levied to fund capital lease payment requirements, operations, and maintenance on certain County owned property. Expenditures and transfers increased \$227,000.

The Debt Service Fund was down \$4.2 million for 2015. Revenues, consisting of investment earnings, declined by \$33,000. Debt service payments decreased by \$1,717,000. Debt service payments are offset by the transfer-in from the Transportation Fund for the Highway Revenue bonds. The payments made on the behalf of the Airport were \$4.3 million, \$664,000 more than 2014, 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 loss of \$2,922,000 compared to income of \$334,000 in 2014. Premiums charged were below the 2014 level by \$170,000 while insurance premiums, claims and administrative costs increased by \$3,082,000.

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 \$6.4 million. Property taxes were lower than budgeted by \$6.7 million due to abatements. General licenses, fines and fees and revenues

from other agencies were higher by \$640,000; State income, personal property replacement, and sales and other taxes were lower than expected by \$563,000.

As in prior years, the most significant variance in the General Fund is in general government expenditures. This difference of \$16.3 million relates predominantly in the Capital Replacement (\$10,961,000) and Tort (\$3,771,000) 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 2015 was \$276,536,000, 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	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land and improvements	\$ 17,446	\$ 16,832	\$ 42,610	\$ 42,679	\$ 60,056	\$ 59,511
Buildings & support facilities	30,041	30,313	30,290	31,521	60,331	61,834
Construction in progress	1,155	2,790	595	62	1,750	2,852
Machinery and equipment	10,434	10,693	4,851	5,622	15,285	16,315
Projects in progress	2,959	1,328	28	28	2,987	1,356
Infrastructure-highway	71,272	69,672	-	-	71,272	69,672
Infrastructure-airport	-	-	60,685	64,626	60,685	64,626
Infrastructure in progress	4,170	3,738	-	-	4,170	3,738
Total	\$ 137,477	\$ 135,366	\$ 139,059	\$ 144,538	\$ 276,536	\$ 279,904

In 2015, the County completed restroom renovations to comply with requirements specified by the Department of Justice under the ADA regulations while completing jail renovations, 911 building improvements, park trails, and other smaller improvements in the amount of \$1.9 million. There was another \$1.2 million of improvements still in progress at the end of the year. Equipment additions were nearly \$2 million with \$1.3 million in 911 towers, in addition to other public safety vehicles and equipment, highway maintenance equipment and data processing equipment. The County posted almost \$8 million of depreciation expense in 2015 for its governmental funds.

The Highway Department is constantly expanding and improving the road system as there continues to be growth in the eastern part of County. Major road improvements continued in 2015; however many were joint projects with local districts with federal and state participation. County projects underway at the end of the year were \$4.2 million while the County completed only \$5.6 million in County road projects. Land acquisitions approximating \$789,000 during 2014 allowed the County to begin various projects that had previously been delayed.

The Airport continued to make investments in equipment and facilities during 2015. At the end of 2015, the Airport had nearly completed another Airport Improvement Project (FAA/state participation) to upgrade the airfield lighting. Other building improvements and equipment totaling nearly \$240,000 were acquired during the year. Depreciation expense for 2015 was \$6.2 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 \$2,021,000 from 2014. At the end of the year, St. Clair County had outstanding long-term debt in the amount of \$129,355,000. Of the total, 62% of the debt was from the Airport activities.

St. Clair County's Long-term Obligations

	(in thousands)					
	Governmental		Business-type		Total	
	Activities		Activities			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Capital lease obligations:						
Buildings	\$ 11,062	\$ 11,080	\$ 12,206	\$ 12,776	\$ 23,268	\$ 23,856
Equipment	2,879	-	-	-	2,879	-
Revenue bonds	28,362	29,160	-	-	28,362	29,160
Debt certificates	4,550	4,830	3,398	3,543	7,948	8,373
General obligation bonds	-	-	53,341	52,947	53,341	52,947
Due to Public Building						
Commission	-	-	11,875	11,828	11,875	11,828
General obligation						
contract	219	268	-	-	219	268
Insurance claims	1,463	902	-	-	1,463	902
Total	\$ 48,535	\$ 46,240	\$ 80,820	\$ 81,094	\$ 129,355	\$ 127,334

Governmental Activities

Long-term obligations for governmental activities increased by \$2,295,000. In 2015, the County entered into a capital lease commitment for \$2,870,000 for 911 expansion equipment. The Emergency Telephone System Fund made principal payments in the amount of \$280,000 in 2015 on an existing bond issue. Highway funds were used to make principal payments of \$800,000 on Highway revenue bonds and equipment leases during the year. The Lease Payable fund is servicing capital lease obligation debt for County office buildings, animal control facilities, and public safety facilities. Principal reductions were \$17,000. The estimated long-term insurance claims increased by \$560,000. Changes are discussed in more detail in the notes to the financial statements.

Business-type Activities

Certain revenue bonds were refinanced in 2015. Bonds and accreted interest of \$33,326,000 were defeased and new bonds totaling \$37,005,000 were issued. The Airport made principal payments of \$1,985,000 on its general obligation debt. Accretion of interest on the general obligation capital appreciation bonds was \$182,000 with net amortization of premiums/discounts of \$27,001. Certain capital lease obligations were reduced by \$570,000 (funded by the Lease Payable Fund). Principal payments of \$145,000 were also made to reduce the debt certificates that were issued in 2013. The Public Building Commission advanced the Airport funds \$47,000 in 2015 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 have been leveling but exemptions passed on by the State are impacting taxable values.

- 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 may begin to increase as investment earnings in the plan remain lower than the plan's funding assumptions.
- 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.
- Additional State mandates being pushed to the local level are continuing.
- MidAmerica St Louis Airport sees growth in passenger activity.

These factors were considered in preparing St. Clair County's budget for 2016.

The unreserved fund balance of the County has been sufficient to weather the economic down turn. With little improvement in the economy, management anticipates that the County will be able to maintain services for the near term. 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, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash	\$ 1,237,694	\$ 300,680	\$ 1,538,374
Equity in cash and investment pool	137,243,892	100,019	137,343,911
Funds held in trust	-	453,532	453,532
Accounts receivable	10,503,061	21,266	10,524,327
Taxes receivable (net)	31,635,044	-	31,635,044
Interest receivable	84,552	78	84,630
Internal balances	3,658,390	(3,658,390)	-
Inventory	239,071	390,722	629,793
Prepaid expenditures	1,842,113	-	1,842,113
Total current assets	<u>186,443,817</u>	<u>(2,392,093)</u>	<u>184,051,724</u>
Restricted assets			
Equity in cash and investment pool	-	425,388	425,388
Funds held in trust	-	1,383,938	1,383,938
Accounts receivable	-	12,173	12,173
Interest receivable	-	9,853	9,853
Deposits	-	7,346	7,346
Total restricted assets	<u>-</u>	<u>1,838,698</u>	<u>1,838,698</u>
Noncurrent assets			
Capital assets	<u>137,477,139</u>	<u>139,059,368</u>	<u>276,536,507</u>
Total noncurrent assets	<u>137,477,139</u>	<u>139,059,368</u>	<u>276,536,507</u>
Deferred outflows of resources			
Deferred outflows related to pensions	19,531,331	373,896	19,905,227
Deferred charges on refinancing	<u>1,682,228</u>	<u>10,418,970</u>	<u>12,101,198</u>
Total outflows of resources	<u>21,213,559</u>	<u>10,792,866</u>	<u>32,006,425</u>
Total assets and deferred outflows of resources	<u>\$ 345,134,515</u>	<u>\$ 149,298,839</u>	<u>\$ 494,433,354</u>

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Statement of Net Position
(continued)
December 31, 2015

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities			
Accounts payable	\$ 2,148,545	\$ 197,056	\$ 2,345,601
Accrued salaries	2,205,440	75,315	2,280,755
Accrued payroll related costs	3,640,516	111,573	3,752,089
Accrued interest	5,389	723,031	728,420
Funds held in escrow	29,215	20,177	49,392
Insurance claims	2,967,228	-	2,967,228
Unearned income	284,774	-	284,774
Debt certificates - current	285,000	150,000	435,000
General obligation bonds - current	-	1,550,138	1,550,138
General obligation contract - current	51,542	-	51,542
Obligations under capital lease - current	16,972	597,045	614,017
Total current liabilities	<u>11,634,621</u>	<u>3,424,335</u>	<u>15,058,956</u>
Noncurrent liabilities			
Due to Public Building Commission	-	11,874,785	11,874,785
Debt certificates	4,265,000	3,248,054	7,513,054
General obligation bonds payable	-	51,790,584	51,790,584
Revenue bonds	28,362,132	-	28,362,132
General obligation contract	167,145	-	167,145
Obligations under capital lease-buildings	11,045,518	11,608,458	22,653,976
Obligations under capital lease-equipment	2,878,586	-	2,878,586
Net pension liability	35,985,962	459,034	36,444,996
Insurance claims	1,462,530	-	1,462,530
Total noncurrent liabilities	<u>84,166,873</u>	<u>78,980,915</u>	<u>163,147,788</u>
Total liabilities	<u>95,801,494</u>	<u>82,405,250</u>	<u>178,206,744</u>
Deferred inflows of resources			
Deferred taxes and related fees	32,990,545	9,889	33,000,434
Deferred inflows related to pensions	1,658,042	-	1,658,042
	<u>34,648,587</u>	<u>9,889</u>	<u>34,658,476</u>
Total liabilities and deferred inflows of resources	<u>130,450,081</u>	<u>82,415,139</u>	<u>212,865,220</u>
NET POSITION			
Net investment in capital assets	130,726,015	87,929,218	218,655,233
Restricted	91,377,893	454,760	91,832,653
Unrestricted	(7,419,474)	(21,500,278)	(28,919,752)
Total net position	<u>\$ 214,684,434</u>	<u>\$ 66,883,700</u>	<u>\$ 281,568,134</u>

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Statement of Activities
For the year ended December 31, 2015

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Goods and Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
General government	\$ 24,453,701	\$ 8,653,222	\$ 1,223,465	\$ -	\$ (14,577,014)	\$ -	\$ (14,577,014)
Public safety	41,252,084	7,178,572	3,437,554	22,312	(30,613,646)	-	(30,613,646)
Judicial	16,564,501	8,095,062	1,082,066	-	(7,387,373)	-	(7,387,373)
Public health	11,986,969	927,319	5,775,075	-	(5,284,575)	-	(5,284,575)
Transportation	14,551,050	1,278,843	4,541,267	1,137,858	(7,593,082)	-	(7,593,082)
Unallocated interest	710,741	-	-	-	(710,741)	-	(710,741)
Total governmental activities	109,519,046	26,133,018	16,059,427	1,160,170	(66,166,431)	-	(66,166,431)
Business-type activities							
Airport	17,477,611	3,625,997	-	500,728	-	(13,350,886)	(13,350,886)
Total	\$ 126,996,657	\$ 29,759,015	\$ 16,059,427	\$ 1,660,898	(66,166,431)	(13,350,886)	(79,517,317)
General revenues							
Taxes							
Property taxes					31,993,890	-	31,993,890
Sales taxes					9,277,360	-	9,277,360
Personal property replacement tax					2,447,763	-	2,447,763
State income tax					5,961,643	-	5,961,643
Other taxes					185,528	-	185,528
Unrestricted investment earnings					842,847	83,334	926,181
Miscellaneous					522,481	-	522,481
Gain (loss) on disposal of assets					3,248	15,290	18,538
Transfers					(6,582,577)	6,582,577	-
Total general revenues and transfers					44,652,183	6,681,201	51,333,384
Changes in net position					(21,514,248)	(6,669,685)	(28,183,933)
Net position - beginning (restated)					236,198,682	73,553,385	309,752,067
Net position - ending					\$ 214,684,434	\$ 66,883,700	\$ 281,568,134

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Balance Sheet
Governmental Funds
December 31, 2015

	General	Transportation Fund	Lease Payable Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	\$ 902,325	\$ 500	\$ -	\$ -	\$ 313,924	\$ 1,216,749
Equity in cash and investment pool	39,970,789	47,175,863	2,276,288	7,240,490	38,422,125	135,085,555
Accounts receivable	3,367,465	424,152	-	-	3,579,696	7,371,313
Taxes receivable	6,960,721	4,800,032	9,407,928	-	10,466,363	31,635,044
Interest receivable	24,683	28,859	1,633	5,839	21,488	82,502
Internal balances	4,774,042	114,513	18,772	-	5,746,706	10,654,033
Inventory	166,112	70,142	-	-	2,817	239,071
Prepaid expenditures	1,657,399	-	164,250	-	20,464	1,842,113
Total assets	<u>\$ 57,823,536</u>	<u>\$ 52,614,061</u>	<u>\$ 11,868,871</u>	<u>\$ 7,246,329</u>	<u>\$ 58,573,583</u>	<u>\$ 188,126,380</u>
LIABILITIES						
Accounts payable	\$ 598,616	\$ 705,721	\$ -	\$ -	\$ 694,876	\$ 1,999,213
Accrued salaries	1,394,469	143,658	-	-	658,505	2,196,632
Accrued payroll related costs	-	-	-	-	504,486	504,486
Internal balances	4,822,229	-	-	-	2,179,297	7,001,526
Funds held in escrow	29,215	-	-	-	-	29,215
Other liabilities	1,600,354	-	-	-	-	1,600,354
Unearned income	-	-	-	-	142,069	142,069
Total liabilities	<u>8,444,883</u>	<u>849,379</u>	<u>-</u>	<u>-</u>	<u>4,179,233</u>	<u>13,473,495</u>
DEFERRED INFLOWS OF RESOURCES						
	<u>7,533,854</u>	<u>4,800,032</u>	<u>9,407,928</u>	<u>-</u>	<u>11,248,731</u>	<u>32,990,545</u>
Total liabilities and deferred inflows of resources	<u>15,978,737</u>	<u>5,649,411</u>	<u>9,407,928</u>	<u>-</u>	<u>15,427,964</u>	<u>46,464,040</u>
FUND BALANCES						
Nonspendable	1,823,511	70,142	164,250	-	23,281	2,081,184
Restricted	151,491	46,894,508	2,296,693	3,616,538	44,365,783	97,325,013
Committed	23,636,542	-	-	3,629,791	-	27,266,333
Assigned	429,740	-	-	-	-	429,740
Unassigned	15,803,515	-	-	-	(1,243,445)	14,560,070
Total fund balances	<u>41,844,799</u>	<u>46,964,650</u>	<u>2,460,943</u>	<u>7,246,329</u>	<u>43,145,619</u>	<u>141,662,340</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 57,823,536</u>	<u>\$ 52,614,061</u>	<u>\$ 11,868,871</u>	<u>\$ 7,246,329</u>	<u>\$ 58,573,583</u>	<u>\$ 188,126,380</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, 2015

Total fund balances for governmental funds	\$ 141,662,340
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Total net position reported for governmental activities in the statement of net position is different because:

Receivables and funds held in trust applicable to the County's governmental activities that do not provide current financial resources are not reported as receivables in the funds.	2,839,025
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land and buildings, net of accumulated depreciation	\$ 41,270,181	
Machinery and equipment, net of accumulated depreciation	10,434,075	
Infrastructure, net of accumulated depreciation	81,658,560	
Construction and projects in process	<u>4,114,323</u>	
Total capital assets		137,477,139

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 (before GASB 68 adjustment \$18,625):

788,781

Adjustment to reflect the consolidation of internal service fund activities related to the enterprise fund

536

Long-term liabilities and compensated absences 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, 2015 are:

Insurance claims	(1,462,530)	
Compensated absences	(3,113,128)	
Accrued interest on debt	(5,389)	
General obligation contract	(218,687)	
Debt certificates	(4,550,000)	
Capital leases - buildings	(11,062,490)	
Capital leases - equipment	(2,878,586)	
Bonds payable	(28,362,132)	
Deferred outflows of resources from refinancing	<u>1,682,228</u>	
Total long-term liabilities		(49,970,714)

Pension obligations, net of deferred outflows and inflows of resources related to pensions, that are not due and payable in the current period and, therefore, are not reported in the funds.

(18,112,673)

Total net position of governmental activities

\$ 214,684,434

ST. CLAIR COUNTY, ILLINOIS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2015

	General	Transportation Fund	Lease Payable Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 7,050,848	\$ 4,863,204	\$ 9,583,551	\$ -	\$ 10,496,287	\$ 31,993,890
State income tax	5,867,284	-	-	-	-	5,867,284
Personal property replacement tax	2,447,763	-	-	-	-	2,447,763
Sales tax	9,230,019	-	-	-	-	9,230,019
Motor fuel tax	-	4,541,267	-	-	-	4,541,267
Other taxes	185,528	-	-	-	-	185,528
Revenue from federal/state agencies	1,041,283	-	-	-	7,837,904	8,879,187
Revenue from local agencies	127,832	1,033,038	57,681	-	2,697,990	3,916,541
Licenses, permits, fines, fees and services	13,672,088	148,404	-	-	8,209,357	22,029,849
Earnings on investments	217,834	280,237	10,439	69,847	236,345	814,702
Miscellaneous revenues	521,781	-	-	-	18,539	540,320
	<u>40,362,260</u>	<u>10,866,150</u>	<u>9,651,671</u>	<u>69,847</u>	<u>29,496,422</u>	<u>90,446,350</u>
EXPENDITURES						
Current						
General government	19,819,105	-	7,892,584	-	9,413,158	37,124,847
Public safety	14,352,191	-	-	-	9,512,106	23,864,297
Judicial	5,483,920	-	-	-	2,403,490	7,887,410
Public health	60,726	-	-	-	8,985,514	9,046,240
Transportation	-	5,980,531	-	-	-	5,980,531
Capital outlay						
General government	1,006,462	-	1,007,750	-	57,018	2,071,230
Public safety	-	-	704,232	-	317,414	1,021,646
Judicial	-	-	-	-	-	-
Transportation	-	5,720,000	-	-	-	5,720,000
Debt service						
General government	-	-	567,989	-	-	567,989
Public safety	-	-	-	-	554,787	554,787
Transportation	-	60,165	-	1,978,156	-	2,038,321
	<u>40,722,404</u>	<u>11,760,696</u>	<u>10,172,555</u>	<u>1,978,156</u>	<u>31,243,487</u>	<u>95,877,298</u>
Excess of revenues over (under) expenditures	<u>(360,144)</u>	<u>(894,546)</u>	<u>(520,884)</u>	<u>(1,908,309)</u>	<u>(1,747,065)</u>	<u>(5,430,948)</u>
Other financing sources (uses):						
Operating transfers-in	127,468	-	-	1,977,156	505,716	2,610,340
Operating transfers-out	(1,446,725)	(1,977,156)	(1,149,938)	(4,265,837)	(353,261)	(9,192,917)
Total other financing sources (uses)	<u>(1,319,257)</u>	<u>(1,977,156)</u>	<u>(1,149,938)</u>	<u>(2,288,681)</u>	<u>152,455</u>	<u>(6,582,577)</u>
Net changes in fund balances	(1,679,401)	(2,871,702)	(1,670,822)	(4,196,990)	(1,594,610)	(12,013,525)
Beginning fund balances	43,524,200	49,836,352	4,131,765	11,443,319	44,740,229	153,675,865
Ending fund balances	<u>\$ 41,844,799</u>	<u>\$ 46,964,650</u>	<u>\$ 2,460,943</u>	<u>\$ 7,246,329</u>	<u>\$ 43,145,619</u>	<u>\$ 141,662,340</u>

ST. CLAIR COUNTY, ILLINOIS
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the year ended December 31, 2015

Net change in fund balances - total governmental funds \$ (12,013,525)

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	\$ 1,597,903		
Infrastructure	<u>5,647,873</u>		7,245,776
Depreciation expense in the current period			
Land, buildings, and equipment	(4,414,868)		
Infrastructure	<u>(3,575,970)</u>		(7,990,838)
Net effect of disposal transactions			(14,461)

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	459,394
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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.

Principal payments on bonds	750,000	
Principal payments on debt certificates	280,000	
Amortization of capital lease costs - equipment	49,587	
Amortization of premiums, discounts, and deferred charges	(44,781)	
Amortization of capital lease costs - buildings	(142,752)	
Change in accrued interest	<u>(7,269)</u>	884,785

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	(560,445)
Change in compensated absences	162,381

Internal service funds are used by management to charge the costs of certain insurance activities to individual funds. The net loss of certain internal service funds is reported with governmental activities (net of \$25,421 allocated to business-type activities)

(2,896,249)

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

(6,791,066)

Changes in net position of governmental activities

\$ (21,514,248)

See Note 7 for further explanation of reclassifications and adjustments.

ST. CLAIR COUNTY, ILLINOIS
Statement of Net Position
Proprietary Funds
December 31, 2015

	Business-type Activities	Governmental Activities
	Enterprise Fund MidAmerica St. Louis Airport	Internal Service Funds
ASSETS		
Current assets		
Cash	\$ 300,680	\$ 20,945
Equity in cash and investment pool	100,019	2,158,337
Funds held in trust	453,532	-
Accounts receivable	21,266	292,723
Interest receivable	78	2,050
Internal balances	(3,658,390)	5,347
Inventory	390,722	-
Total current assets	<u>(2,392,093)</u>	<u>2,479,402</u>
Restricted assets		
Cash	-	-
Equity in investment pool	425,388	-
Funds held in trust	1,383,938	-
Accounts receivable	12,173	-
Interest receivable	9,853	-
Deposits	7,346	-
Total restricted assets	<u>1,838,698</u>	<u>-</u>
Noncurrent assets		
Capital assets	<u>139,059,368</u>	<u>-</u>
Deferred outflows of resources		
Deferred outflows related to pensions	373,896	73,284
Deferred charges on refinancing	10,418,970	-
	<u>10,792,866</u>	<u>73,284</u>
Total assets and deferred outflows of resources	<u>\$ 149,298,839</u>	<u>\$ 2,552,686</u>

ST. CLAIR COUNTY, ILLINOIS
Statement of Net Position
Proprietary Funds
(continued)
December 31, 2015

	Business-type Activities	Governmental Activities
	Enterprise Fund MidAmerica St. Louis Airport	Internal Service Funds
LIABILITIES		
Current liabilities		
Accounts payable	\$ 197,056	\$ 149,332
Accrued salaries	75,315	8,808
Accrued payroll related costs	111,573	22,902
Accrued interest	723,031	-
Other liabilities	-	1,366,874
Unearned income	-	142,705
Funds held in escrow	20,177	-
General obligation bonds - current	1,550,138	-
Debt certificates - current	150,000	-
Obligations under capital lease - current	597,045	-
Total current liabilities	<u>3,424,335</u>	<u>1,690,621</u>
Noncurrent liabilities		
Due to Public Building Commission	11,874,785	-
Debt certificates	3,248,054	-
General obligation bonds	51,790,584	-
Obligations under capital lease	11,608,458	-
Net pension liability	459,034	89,970
Total noncurrent liabilities	<u>78,980,915</u>	<u>89,970</u>
Total liabilities	<u>82,405,250</u>	<u>1,780,591</u>
Deferred inflows of resources		
Deferred inflows related to pensions	9,889	1,939
Total liabilities and deferred inflows of resources	<u>82,415,139</u>	<u>1,782,530</u>
NET POSITION		
Net investment in capital assets	87,929,218	-
Restricted	454,760	190,527
Unrestricted	(21,500,278)	579,629
Total net position	66,883,700	<u>\$ 770,156</u>
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise fund	<u>(536)</u>	
Net position of business-type activities	<u>\$ 66,883,164</u>	

ST. CLAIR COUNTY, ILLINOIS
Statement of Revenues, Expenses,
and Changes in Net Position
Proprietary Funds
For the year ended December 31, 2015

	Business-type Activities <u>Enterprise Fund</u> MidAmerica St. Louis Airport	Governmental Activities <u>Internal</u> Service Funds
CHARGES FOR GOODS AND SERVICES		
Landing fees and terminal area use charges	\$ 39,046	\$ -
Rents, concessions and other services	784,885	-
Other	22,998	24
Fuel sales (less costs of \$1,964,879)	105,560	-
Insurance premiums	-	10,559,988
Total operating revenues	<u>952,489</u>	<u>10,560,012</u>
OPERATING EXPENSES		
Operating expenses	3,829,537	797,918
Insurance claims and premiums	-	12,539,006
Post-employment benefit contribution	-	172,918
Depreciation and amortization	6,190,961	-
Total operating expenses	<u>10,020,498</u>	<u>13,509,842</u>
Operating income (loss)	<u>(9,068,009)</u>	<u>(2,949,830)</u>
NONOPERATING REVENUES (EXPENSES)		
Investment earnings	83,334	28,160
Interest expense	(4,714,447)	-
Bond issue costs	(625,221)	-
Passenger facility charges	94,185	-
Gain on disposal of assets	15,290	-
Real estate leases (net of expenses)	487,272	-
Total nonoperating expenses	<u>(4,659,587)</u>	<u>28,160</u>
Net income (loss)	<u>(13,727,596)</u>	<u>(2,921,670)</u>
Transfers-in	6,582,577	-
Capital contributions	500,728	-
Change in net assets	<u>(6,644,291)</u>	<u>(2,921,670)</u>
Net position - beginning of year (restated)	<u>73,528,527</u>	<u>3,691,826</u>
Net position - end of year	66,884,236	<u>\$ 770,156</u>
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise fund	<u>(536)</u>	
Net position - business-type activities	<u>\$ 66,883,700</u>	

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Statement of Cash Flows
Proprietary Funds
For the year ended December 31, 2015

	Business-type Activities <u>Enterprise Fund</u> <u>MidAmerica</u> <u>St. Louis Airport</u>	Governmental Activities <u>Internal</u> <u>Service</u> <u>Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments from customers and tenants	\$ 2,905,368	\$ 1,449,435
Payments from interfund services provided	-	9,119,042
Payments to vendors	(3,628,516)	(12,998,219)
Payments to employees	(992,019)	(196,639)
Net cash provided (used) by operating activities	<u>(1,715,167)</u>	<u>(2,626,381)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers from general fund	<u>306,000</u>	-
Net cash provided (used) by non-capital financing activities	<u>306,000</u>	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal payments on debt certificates	(145,000)	
Interest paid	(140,525)	-
Passenger facility charges	(5,442)	-
Proceeds from disposal of assets	15,290	-
Repayment of advance to affiliate	(63,979)	
Construction deposit reimbursements	3,201	
Capital grant contributions	60,776	-
Capital expenditures	(186,421)	-
Net cash provided (used) by capital and related financing activities	<u>(462,100)</u>	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment interest	87	28,670
Redemption of investments	1,713,501	-
Non-aeronautical real estate revenues	179,376	-
Non-aeronautical real estate expenses	(127,172)	-
Net cash provided (used) by investing activities	<u>1,765,792</u>	<u>28,670</u>
Net increase (decrease) in cash and cash equivalents	(105,475)	(2,597,711)
Cash and cash equivalents - beginning of year	<u>406,155</u>	<u>4,776,993</u>
Cash and cash equivalents - end of year	<u>\$ 300,680</u>	<u>\$ 2,179,282</u>

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Statement of Cash Flows
Proprietary Funds
(continued)
For the year ended December 31, 2015

	Business-type Activities	Governmental Activities
	Enterprise Fund	Internal
	MidAmerica	Service
	St. Louis Airport	Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH		
PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (9,068,009)	\$ (2,949,830)
Adjustments to reconcile		
Depreciation and amortization	6,190,961	-
Operating costs paid by capital contributions	835,496	-
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	75,394	(174,646)
Decrease (increase) in inventory	120,203	-
Decrease (increase) in due from other funds	-	3,210
Decrease (increase) in deferred outflows of resources	(208,039)	(40,776)
Increase (decrease) in due to Public Building		
Commission	46,588	-
Increase (decrease) in accounts payable	(57,245)	19,090
Increase (decrease) in accrued wages and related costs	7,798	9,834
Increase (decrease) in other liabilities	-	429,986
Increase (decrease) in funds held in escrow	(5,691)	-
Increase (decrease) in unearned income	-	8,665
Increase (decrease) in net pension liability	352,818	69,152
Increase (decrease) in deferred inflows of resources	(5,441)	(1,066)
Net cash provided (used) by operating activities	<u>\$ (1,715,167)</u>	<u>\$ (2,626,381)</u>

SCHEDULE OF NON-CASH FINANCING AND INVESTING ACTIVITIES

Interest accreted on bonds and leases (net of amortization)	\$ 154,188	-
Bond financing		
Cost of issuance	625,221	-
Capital contributions		
Capital assets	435,897	-
Capital lease principal and interest	1,149,938	-
Bond principal and interest	4,270,794	-
Capital payments made by the St Clair County		
for the Airport	25,306	-
Increase (decrease) in market value of investments	(579)	32

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Statement of Net Position
Fiduciary Funds
December 31, 2015

	Agency Funds	Post- Employment Health Insurance Trust
ASSETS		
Cash	\$ 4,594,005	\$ -
Equity in cash and investment pool	13,210,932	928
Investments	1,255,208	2,587,321
Accounts receivable	1,497,469	-
Interest receivable	7,131	5,429
Total assets	<u>20,564,745</u>	<u>2,593,678</u>
LIABILITIES		
Accounts payable	445	-
Due to taxing districts	512,153	-
Held pending protested tax settlement	220,311	-
Funds held in escrow	19,831,836	-
Total liabilities	<u>20,564,745</u>	<u>-</u>
NET POSITION		
Restricted for OPEB	<u>\$ -</u>	<u>\$ 2,593,678</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, 2015

Post-
Employment
Health Insurance
Trust

ADDITIONS

Contributions
Employer

\$ 172,918

Total contributions

172,918

Investment income

Interest, dividends and other investment earnings

62,205

Net appreciation (depreciation) in fair value of assets

(59,834)

Total investment earnings

2,371

Less investment expense

20,976

Net investment earnings

(18,605)

Total additions

154,313

DEDUCTIONS

Benefits

-

Total deductions

-

Change in net position

154,313

Net position - restricted for OPEB, beginning of the year

2,439,365

Net position - restricted for OPEB, end of the year

\$ 2,593,678

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financial Statements
December 31, 2015

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 13, 14 and 15, 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.
- Enterprise Fund accounts for the operation of the MidAmerica St. Louis Airport. These operations are financed and operated in a manner similar to private business enterprises.

Fiduciary Funds

- Agency Funds account for assets held by the County in a trustee capacity or as an agent for individual private organizations, other governmental units or other funds.
- Other post-employment benefits trust accounts for the activities of the Post-Employment Health Trust Fund which accumulates the resources for post-employment health benefits for qualified retirees.

The County reports the following major governmental funds:

General fund (as described above)

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

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

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

ST. CLAIR COUNTY, ILLINOIS
Notes to the 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.

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

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

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

Receivable and payables

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

Property taxes attach an enforceable lien on property as of January 1 and are levied one year in arrears. Accordingly, property tax revenues are accrued. However, property taxes are recognized as revenue when collected based on the intent of the County to use the revenue to finance operations of the following year. The 2014 property taxes were payable on July 1, 2015 and September 1, 2015 and recognized as revenue in 2015.

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

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

between funds. Long-term borrowings between funds not expected to be repaid in the foreseeable future have been eliminated and recorded as transfers. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "Internal balances."

Inventories and prepaid items

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

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

Capital assets

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

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

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

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

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

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

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

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

Bond issuance costs and capitalized interest

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

Compensated absences

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

Pensions

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

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

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

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 principles

Recently issued and adopted accounting pronouncement

In February 2015, the GASB issued Statement 72, *Fair Value Measurement and Application*. GASB 72 improves financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosure about fair value measurements. This Statement is effective for fiscal years beginning after June 15, 2015. Management has early implemented this statement with no impact or change in the County's reporting of assets or liabilities.

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 was amended with the issuance of GASB Statement 71, *Pension Transition for Contributions made Subsequent to the Measurement Date*, is effective for periods beginning after June 15, 2014. This standard is to be reported in conjunction with GASB Statement 68. The County has implemented this reporting for the year ended December 31, 2015. The impact of the change is discussed in Prior Period Adjustments below.

Recently issued accounting pronouncements

In June 2015, the GASB issued Statement 75, *Accounting and Financial Reporting for Postemployment Benefits (OPEB) Other Than Pensions*. This statement is intended to improve accounting and financial reporting by state and local governments for OPEB. It also improves information provided by state and local government employers about financial support for OPEB 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 post-retirement benefits 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, 2017. Management is currently evaluating the impact of the adoption of this statement on the County's financial statements.

In August 2015, Statement 77, *Tax Abatement Disclosures* was issued. This statement requires disclosure of tax abatement information about a reporting government's own tax abatement agreements and those that are entered into by other governments and that reduce the reporting government's tax revenues. This Statement is effective for fiscal years beginning after June 15, 2015. There should be no impact with the adoption of this statement on the County's financial statements.

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

2. Cash deposits and investments

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

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

	Government-wide Statement of Net Position	Fiduciary Funds Statement of Net Position	Total
Cash	\$ 1,538,374	\$ 4,594,005	\$ 6,132,379
Investments	-	3,842,529	3,842,529
Pooled cash and investments	137,769,299	13,211,860	150,981,159
	<u>\$ 139,307,673</u>	<u>\$ 21,648,394</u>	<u>\$ 160,956,067</u>

Of the total cash and investments, cash deposits are \$23,325,594; investments account for \$137,463,298 of the total while remaining balances are undeposited cash holdings.

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

	Fair Value	Maturity
Certificates of deposit - non-negotiable	\$ 35,561,218	0 - 6 mos
Certificates of deposit - non-negotiable	6,701,888	7 - 12 mos
Certificates of deposit - non-negotiable	5,056,579	1 - 3 years
CDARS	2,009,496	0 - 6 mos
Insured Cash Sweep (ICS)	1,250,471	current
Money markets	1,667,373	current
Investments held by brokers/dealers:		
Certificates of deposit - negotiable	6,796,270	0 - 6 mos
Certificates of deposit - negotiable	16,193,002	7 - 12 mos
Certificates of deposit - negotiable	41,479,922	1 - 3 years
Certificates of deposit - negotiable	244,799	3 - 5 years
Money market - government funds	4,024,491	current
U.S. Government obligations	2,009,280	7 - 12 mos
U.S. Government obligations	5,429,022	1 - 3 years
U.S. Government security mutual fund	4,189,943	current
Investments in Illinois Funds Investment Pool	2,262,223	current
	<u>\$ 134,875,977</u>	
Restricted investments		
Investments held by brokers/dealers:		
U.S. Government obligations	\$ 150,012	0 - 6 mos
U.S. Government obligations	200,826	6 - 12 mos
U.S. Government obligations	1,050,975	1 - 3 years
U.S. Government obligations	226,223	3+ years
U.S. Treasury money market	49,786	current
Equity securities-international	23,651	current
Mutual funds-international	181,626	current
Equity securities	414,953	current
Mutual funds	289,269	current
	<u>\$ 2,587,321</u>	

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

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, insured sweep accounts (ICS), and money markets were with the following institutions: \$68,738,823 in Morgan Stanley, \$21,910,858 in Bank of Edwardsville, and \$17,096,137 in Citizen's Community Bank.

Custodial credit risk-deposits: In the case of deposits, including non-negotiable certificates of deposit, the County minimizes its risks that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require that all monies deposited in banks and savings and loans that exceed 75% of the capital stock and surplus of such institution shall be collateralized by specific securities. However, the County generally requires collateral on all deposits over FDIC or SIPC coverage. The pledging financial institution's trust department or the Federal Reserve holds the collateral. At December 31, 2015, all of the County's bank balances were insured or collateralized 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	\$ 4,304,555
Service and fee revenues	2,294,487
Other	351,605
Grant and intergovernmental revenues	3,543,565
Related parties	8,849
	<u>\$ 10,503,061</u>
Business-type Activities	
Trade receivables	\$ 5,884
Grant and intergovernmental revenues	23,465
Other	4,090
	<u>\$ 33,439</u>

The Airport uses the direct write-off method for uncollectible amounts. During 2015, there were no write-offs.

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

Property taxes are collected one year in arrears. Although levied in 2015, property taxes will be collected in mid-2016. Accordingly property taxes are reported as deferred inflows because they are not available to liquidate liabilities of the current period nor are they intended to do so. Property taxes receivable are as follows:

Current and delinquent taxes	\$ 31,915,522
Less allowance for uncollectible amounts	280,478
Net taxes receivables	<u>\$ 31,635,044</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, 2015 was \$21,066,208 with a carrying value of \$17,338,808. Depreciation for 2015 was \$652,523. Rentals included in operation for 2015 were \$702,213. The future minimum rentals to be received under these leases as of December 31, 2015 are as follows:

2016	\$ 702,663
2017	698,663
2018	697,863
2019	697,806
2020	542,665
2021-2025	1,442,410
2026-2030	1,445,410
2031-2035	1,307,485
2036-2040	39,900
Rental income under non-cancellable operating leases	<u>\$ 7,574,865</u>

4. Capital assets

Capital asset activity for 2015 was as follows:

Governmental activities

	January 1, 2015	Additions	Deletions	December 31, 2015
Assets not being depreciated:				
Land	\$ 10,655,256	\$ 574,223	\$ -	\$ 11,229,479
Construction in progress	2,790,734	2,077,487	3,712,852	1,155,369
Projects in progress	1,328,324	3,071,404	1,440,774	2,958,954
Infrastructure				
Construction in progress	3,737,896	5,607,932	5,175,627	4,170,201
Land	6,176,587	39,941	-	6,216,528
	<u>24,688,797</u>	<u>11,370,987</u>	<u>10,329,253</u>	<u>25,730,531</u>
Assets being depreciated:				
Buildings	75,719,112	1,915,434	427,729	77,206,817
Equipment, furniture, and vehicles	33,714,119	1,983,193	361,682	35,335,630
Infrastructure - Roads	111,606,766	5,175,627	-	116,782,393
	<u>221,039,997</u>	<u>9,074,254</u>	<u>789,411</u>	<u>229,324,840</u>
Total capital assets	<u>245,728,794</u>	<u>20,445,241</u>	<u>11,118,664</u>	<u>255,055,371</u>
Less accumulated depreciation for:				
Buildings	45,406,276	2,187,450	427,612	47,166,114
Equipment, furniture and vehicles	23,021,386	2,227,417	341,247	24,901,556
Infrastructure	41,934,592	3,575,970	-	45,510,562
	<u>110,362,254</u>	<u>7,990,837</u>	<u>774,859</u>	<u>117,578,232</u>
Government activity capital assets, net	<u>\$135,366,540</u>	<u>\$12,454,404</u>	<u>\$10,343,805</u>	<u>\$ 137,477,139</u>

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

Land and buildings totaling \$43,903,107 are held under capital lease and accumulated depreciation on these assets amounted to \$34,918,294 at December 31, 2015.

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

General government	\$ 992,825
Judicial	661,021
Transportation	3,767,884
Public safety	2,424,059
Public health	145,048
	<u>\$ 7,990,837</u>

Business-type activities – MidAmerica St. Louis Airport

	January 1, 2015	Additions	Deletions	December 31, 2015
Assets not being depreciated:				
Land	\$ 42,435,045	\$ -	\$ -	\$ 42,435,045
Construction in progress	89,837	532,909	-	622,746
	<u>42,524,882</u>	<u>532,909</u>	<u>-</u>	<u>43,057,791</u>
Assets being depreciated:				
Airfields	90,205,216	-	-	90,205,216
Land improvements	763,266	-	-	763,266
Ramps and aprons	20,866,812	-	-	20,866,812
Passenger terminal	18,254,370	10,305	-	18,264,675
Cargo terminal	9,691,961	5,450	-	9,697,411
Tenant facilities	10,997,137	10,657	-	11,007,794
Utilities	9,187,298	-	-	9,187,298
Roads and parking	6,862,822	-	-	6,862,822
Support facilities	5,513,676	-	-	5,513,676
Equipment	14,383,311	215,054	21,404	14,576,961
	<u>186,725,869</u>	<u>241,466</u>	<u>21,404</u>	<u>186,945,931</u>
Total capital assets	229,250,751	774,375	21,404	230,003,722
Less: Accumulated depreciation	84,712,878	6,252,880	21,404	90,944,354
Business-type activity capital assets, net	<u>\$ 144,537,873</u>	<u>\$ (5,478,505)</u>	<u>\$ -</u>	<u>\$ 139,059,368</u>

Depreciation charged to operations was \$6,190,961 for 2015. Land of \$17,529,127 is held under capital lease. Construction deposits of \$7,346 are being held at the state and are included in restricted assets.

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, 2015 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Non-major governmental funds	\$ 1,116,188
General Fund	MidAmerica St. Louis Airport	3,657,854
Transportation Fund	General Fund	114,018
Transportation Fund	Non-major governmental funds	495
Lease Payable Fund	Non-major governmental funds	18,772
Non-major governmental Funds	Non-major governmental funds	1,045,292
Non-major governmental Funds	General Fund	4,701,414
		10,654,033
Internal Service funds	General Fund	3,451
Internal Service funds	Non-major governmental funds	1,896
		\$ 10,659,380

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	\$ 47,230,647

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	\$ -	\$ 990,923
	Non-major governmental funds	455,802	-
Transportation fund	Debt Service fund	1,977,156	-
Lease payable	MidAmerica St. Louis Airport	-	1,149,938
Debt Service fund	MidAmerica St. Louis Airport	-	4,265,837
Non-major governmental funds	General fund	127,468	-
	Non-major governmental funds	49,914	-
	MidAmerica St. Louis Airport	-	175,879
		\$ 2,610,340	\$ 6,582,577

In the governmental funds financial statements, total transfers-out exceeded transfers-in by \$6,582,577 because of transfers made to the Enterprise fund. These transfers included cash transfers and expenses of the Enterprise fund paid by governmental funds on its behalf. Cash transfers of \$306,000 are expected to be repaid in the long-term future and are considered by the County as part of the "Advances to other funds" previously discussed.

6. Debt and Lease Obligations

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

Capital lease obligations

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

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

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%	\$ 11,062,490
Equipment and systems	3.55%	2,878,586
Business-type Activities		
Airport improvements	4.60%	12,205,503
		<u>\$ 26,146,579</u>

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

Governmental Activities

As part of debt refinancing in 2013, the Public Building Commission and the County entered into a new lease agreement covering certain government facilities. 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.

Future minimum lease payments as of December 31, 2015, were as follows:

<u>Year</u>	<u>Total Lease</u>	<u>Operations & Maintenance</u>
2016	\$ 11,070,372	\$ 10,502,834
2017	11,312,025	10,740,012
2018	11,561,666	10,990,254
2019	11,819,720	11,248,907
2020	12,076,316	11,506,103
2021-2025	57,484,338	53,239,858
2026-2030	51,480,720	49,000,000
2031-2035	56,412,385	49,000,000
2036-2040	52,835,625	49,000,000
2041	9,800,000	9,800,000
	<u>285,853,167</u>	<u>\$ 265,027,968</u>
Less: Amount representing executory cost (i.e., utilities, maintenance, etc.)	265,027,968	
Less: Amount representing interest and amortization	9,762,709	
Obligation under capital lease	<u>\$ 11,062,490</u>	

Rent payments under these leases were \$10,172,555 recorded in the Lease Payable Fund, \$77,246 included in the Emergency Telephone expenses, \$15,486 in the Veterans Assistance expenses, \$50,000 in the General Fund expenses, and \$245,570 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 \$270,244 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 \$1,536,694 at December 31, 2015. Interest expense, including the amortization of the deferred charges, charged to governmental activities for these leases was \$710,741 in 2015.

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

The County entered into a capital lease agreement in 2015 for the purchase of certain 911 radio equipment and systems at an interest rate of 3.55% to upgrade the 911 Emergency Telephone System. Costs are included in work-in-progress in the amount of \$2,870,095. This lease is deemed to be a general obligation of the County. Future minimum lease payments at December 31, 2015 are as follows:

<u>Year</u>	<u>Lease</u>
2018	\$ 394,760
2019	394,760
2020	394,760
2021-2025	2,368,559
	3,552,839
Less: Amount representing interest and amortization	674,253
Obligation under capital lease	<u>\$ 2,878,586</u>

There is an additional cost of \$2,178,335 due as part of the installation and initial year's maintenance and support due in 2016. As part of the lease agreement, the County entered into a 9-year maintenance and support agreement of \$4,743,692 payable annually over the term of the agreement. Interest charged to operations in 2015 for the lease was \$8,491.

Business-type activities

The County also financed certain Airport property acquisitions through leases with the Public Building Commission. The Public Building Commission issued refinancing bonds in 2011 and entered into a new lease agreement with the County as part of the transaction. Payments 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>
2016	\$ 1,150,288
2017	1,153,048
2018	1,152,708
2019	1,148,941
2020	1,151,719
2021-2025	4,345,489
2026-2030	6,148,443
2031	1,233,000
	17,483,636
Less: Amount representing interest and amortization	5,281,133
Obligation under capital lease	<u>\$ 12,205,503</u>

The capital lease payment for 2015 for the benefit of the Airport was \$1,149,938 and has been recorded as a transfer from the Lease Payable Fund to the Enterprise Fund. The unamortized deferred charges on refinancing were \$382,796 at December 31, 2015. Capital lease interest, which includes amortization, charged to Airport operations was \$980,201.

Revenue bonds

Government activities

In 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 outstanding bonds and provide funds to construct, maintain, and improve certain County highways, roads and bridges. The advance refunding met the requirements of an in-substance debt defeasance and the bond liability for those bonds has been removed from the balance sheet and will be paid by the escrow agent. At December 31, 2015, the outstanding balance of defeased debt was \$5,165,000.

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

These bonds are limited obligations of the County with a claim for payment solely from Highway Revenues (2015 collections: Motor Fuel Tax \$3,779,033, County Highway Tax 2,492,385, and Matching Tax \$1,354,849). The County is required to deposit monthly into a separate fund fractional shares of principal and interest becoming due on the next succeeding payment. Debt service payments made from these pledged revenues was \$1,978,156. 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:

<u>Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	5.00%	\$ -	\$ 596,828	\$ 596,828
2017	5.00%	785,000	1,174,032	1,959,032
2018	5.00%	820,000	1,133,906	1,953,906
2019	5.00%	865,000	1,091,781	1,956,781
2020	4.00%	905,000	1,052,056	1,957,056
2021-2025	4.00%	5,110,000	4,674,780	9,784,780
2026-2030	3.625%-4.465%	6,185,000	3,574,710	9,759,710
2031-2035	4.465%-4.468%	7,620,000	2,095,170	9,715,170
2036-2038	4.468%-4.472%	5,435,000	371,350	5,806,350
		<u>\$ 27,725,000</u>	<u>\$ 15,764,613</u>	<u>\$ 43,489,613</u>

The carrying value of the bonds is as follows:

Outstanding bonds	\$ 27,725,000
Unamortized premium	637,132
	<u>\$ 28,362,132</u>

The interest rate for the Taxable Highway Revenue Bonds, Series 2013B was 2.00%. The final payment, due on January 1, 2016, was paid December 31, 2015.

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 unamortized deferred charges on refinancing were \$145,534 at December 31, 2015. Payments due January 1, 2016 for both the Series 2013A and 2013B bonds were paid at December 31, 2015 and not included above. Total interest, net of amortization of premiums and refinancing losses, charged to operations for the Transportation functions was \$1,272,937.

General obligation debt

Government activities

Debt certificates

In March 2014, the County issued \$5,125,000 Taxable General Obligation Debt Certificates (Limited Tax), Series 2014 to finance improvements to the County's 911 system. The certificates are general obligations of the County. Interest rates for the certificates range from 1.65% to 5.40%.

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

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

Year		Principal	Interest	Total
2016	1.65%	\$ 285,000	\$ 192,540	\$ 477,540
2017	2.30%	290,000	187,838	477,838
2018	2.80%	295,000	181,167	476,167
2019	3.30%	305,000	172,908	477,908
2020	3.75%	315,000	162,842	477,842
2021-2025	4.10%-4.95%	1,775,000	606,860	2,381,860
2026-2028	5.40%	1,285,000	141,210	1,426,210
		<u>\$ 4,550,000</u>	<u>\$ 1,645,365</u>	<u>\$ 6,195,365</u>

The Emergency Telephone System Fund is expected to make all of the debt service payments. Interest charged to operations in 2015 was \$195,900.

General obligation contract

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

Year		Principal	Interest	Total
2016	3.94%	\$ 51,542	\$ 8,623	\$ 60,165
2017	3.94%	53,575	6,590	60,165
2018	3.94%	55,687	4,478	60,165
2019	3.94%	57,883	2,282	60,165
		<u>\$ 218,687</u>	<u>\$ 21,973</u>	<u>\$ 240,660</u>

Total interest charged to operations in 2015 for the Transportation functions was \$9,356.

Business-type activities

On June 11, 2015, the County issued \$37,005,000 in General Obligation Refunding Bonds (Alternative Revenue Source) to advance refund \$821,387 of certain outstanding 1999 principal and accreted interest and \$32,505,000 of certain 2009 Series bonds. Net proceeds of \$35,413,419 (after discount and payment of \$625,221 underwriting, insurance, and other issuance costs) were used to purchase U.S. government securities that have been placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Another \$4,957 was deposited into the Debt Service Fund. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. On December 31, 2015, \$9,618,802 of the 1999 defeased bonds and \$32,505,000 of the 2009 defeased bonds are outstanding.

The advance refunding met the requirements of an in-substance debt defeasance and was done as an advance refunding. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$5.3 million. The difference, reported in the accompanying financial statements as a deferred outflow, is being charged to the operations through 2029. The County completed the advance refunding to reduce cash flow requirements in the near term. The debt service requirements over the next 30 years increased by approximately \$37.5 million and the County realized an economic loss (difference between the present values of the old and new debt service payments) of \$7.7 million.

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

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

Year		Principal	Interest	Total
2016		\$ -	\$ 2,172,638	\$ 2,172,638
2017		-	2,172,637	2,172,637
2018		-	2,172,638	2,172,638
2019		-	2,172,637	2,172,637
2020		-	2,172,638	2,172,638
2021-2025		-	10,863,188	10,863,188
2026-2030	5.375%	1,610,000	10,863,187	12,473,187
2031-2035	5.50-5.75%	9,505,000	9,415,612	18,920,612
2036-2040	6.00%	12,625,000	6,292,200	18,917,200
2041-2044	6.00%	13,105,000	2,023,200	15,128,200
		<u>\$ 36,845,000</u>	<u>\$ 50,320,575</u>	<u>\$ 87,165,575</u>

The carrying value of the Current Interest bonds was:

Capital Interest Bonds	\$ 36,845,000
Unamortized discount	(939,496)
	<u>\$ 35,905,504</u>

In 2009, the County issued \$50,105,000 in General Obligation Refunding Bonds to advance refund certain outstanding 1999 Series bonds. Capital Appreciation Bonds due October 1, 2016 and 2017 were not subject to optional redemption prior to maturity. The accreted value of bonds defeased in 2009 and 2015 was \$9,618,802 at the end of the year.

Capital Appreciation bonds that were not defeased are payable as follows and accrete interest at 5.58%:

Year	Principal	Interest	Total	Accreted Value
2016	\$ 624,311	\$ 990,689	\$ 1,615,000	\$ 1,550,138
2017	590,880	1,024,120	1,615,000	1,467,130
	<u>\$ 1,215,191</u>	<u>\$ 2,014,809</u>	<u>\$ 3,230,000</u>	<u>\$ 3,017,268</u>

The Series 2009 bonds (General Obligation Refunding Bonds-Alternative Revenue Source) are current interest bonds. The bonds and interest are payable from certain pledged revenues and real estate taxes, if necessary. Pledged revenues include grant revenues, Passenger Facility Charges, and net Airport revenues derived from the operation of the Airport. The balance of Passenger Facility Charges held as restricted assets at December 31, 2015 was \$425,388. Proceeds of \$3,843,954 were placed in escrow for the 2016/2017 debt service payments as part of the 2009 transaction and required by the alternative debt refinancing. The escrow balance at December 31, 2015 was \$1,383,938 plus accrued interest and is included in restricted assets. As part of the 2015 refinancing, \$3,163,599 was transferred to the defeasance escrow from the previous balance.

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

Year		Principal	Interest	Total
2016		\$ -	\$ 719,488	\$ 719,488
2017		-	719,488	719,488
2018	4.50%	895,000	719,488	1,614,488
2019	5.00%	935,000	679,212	1,614,212
2020	4.50%	980,000	632,462	1,612,462
2021-2025	5.00% - 5.25%	5,675,000	2,394,437	8,069,437
2026-2029	5.00% - 5.25%	5,705,000	752,200	6,457,200
		<u>\$ 14,190,000</u>	<u>\$ 6,616,775</u>	<u>\$ 20,806,775</u>

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

The bonds are payable through 2029. Interest is payable at rates of 4.00% 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 Current Interest bonds was:

Capital Interest Bonds	\$ 14,190,000
Unamortized premium	227,950
	<u>\$ 14,417,950</u>

Debt service for these bonds was paid from the County Debt Service Fund in 2015 and is recorded as a transfer to the Airport for financial reporting purposes. The unamortized deferred charge on refinancing was \$10,036,175 at December 31, 2015. Total interest, net of amortization of premiums and refinancing losses, charged to operations for the general obligation bond issues amounted to \$3,593,517.

Debt Certificates

The County issued \$3,695,000 Taxable General Obligation Debt Certificates (Limited Tax), Series 2013 to construct facilities at MidAmerica St. Louis Airport in 2013. The certificates are general obligations of the County. 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:

<u>Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	2.00%	\$ 150,000	\$ 137,625	\$ 287,625
2017	2.00%	150,000	134,625	284,625
2018	3.50%	155,000	131,625	286,625
2019	3.50%	165,000	126,200	291,200
2020	3.50%	170,000	120,425	290,425
2021-2025	3.50%-4.25%	935,000	504,649	1,439,649
2026-2030	4.25%-4.75%	1,145,000	291,037	1,436,037
2031-2035	4.75%	530,000	38,000	568,000
		<u>\$ 3,400,000</u>	<u>\$ 1,484,186</u>	<u>\$ 4,884,186</u>

The carrying value of the bonds is as follows:

Outstanding bonds	\$ 3,400,000
Unamortized discount	1,946
	<u>\$ 3,398,054</u>

Interest charged to operations for 2015 was \$140,730.

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

Changes in long-term liabilities

The following is a summary of long-term obligation transactions during 2015.

Governmental activities

	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year
Revenue bonds	\$28,475,000	\$ -	\$ 750,000	\$ 27,725,000	\$ -
Premium	685,422	-	48,290	637,132	-
	29,160,422	-	798,290	28,362,132	-
GO contract	268,274	-	49,587	218,687	51,542
Capital leases-					
Buildings	11,079,087	-	16,597	11,062,490	16,972
Equipment	-	2,878,586	-	2,878,586	-
Debt certificates	4,830,000	-	280,000	4,550,000	285,000
Insurance claims	902,085	560,445	-	1,462,530	-
	<u>\$46,239,868</u>	<u>\$ 3,439,031</u>	<u>\$ 1,144,474</u>	<u>\$ 48,534,425</u>	<u>\$ 353,514</u>

For General Debt, the combined interest cost was \$2,188,934. Interest of \$1,282,293 is charged directly to transportation functions while \$195,900 is charged directly to Public Safety and the remaining \$710,741 is unallocated.

Existing Highway debt issues are currently subject to federal arbitrage regulations at December 31, 2015 however no liability exists.

Business-type activities

	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year
General					
obligation bonds	\$52,177,566	\$37,186,190	\$35,311,488	\$ 54,052,268	\$ 1,550,138
Premium/discount	769,168	(961,404)	519,310	(711,546)	-
Total bonds	52,946,734	36,224,786	35,830,798	53,340,722	-
Debt certificates	3,545,000	-	145,000	3,400,000	150,000
Discount	(2,152)	-	(206)	(1,946)	-
	3,542,848	-	144,794	3,398,054	-
Capital leases	12,775,928	-	570,425	12,205,503	597,045
Due to Public Building					
Commission	11,828,197	46,588	-	11,874,785	-
	<u>\$81,093,707</u>	<u>\$36,271,374</u>	<u>\$36,546,017</u>	<u>\$ 80,819,064</u>	<u>\$ 2,297,183</u>

Total Airport interest and amortization expensed aggregated to \$4,714,447.

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

Debt service requirements are as follows:

Year	Governmental Activities		Business-type Activities		Total
	Debt	Leases	Debt	Leases	
2016	\$ 1,134,533	\$ 11,070,372	\$ 4,794,750	\$ 1,150,288	\$ 18,149,943
2017	2,497,034	11,312,025	4,791,750	1,153,048	19,753,857
2018	2,490,238	11,956,426	4,073,750	1,152,708	19,673,122
2019	2,494,854	12,214,480	4,078,050	1,148,941	19,936,325
2020	2,434,899	12,471,076	4,075,525	1,151,719	20,133,219
2021-2025	12,166,640	59,852,897	20,372,274	4,345,489	96,737,300
2026-2030	11,185,920	51,480,720	20,366,425	6,148,443	89,181,508
2031-2035	9,715,170	56,412,385	19,488,612	1,233,000	86,849,167
2036-2040	5,806,350	52,835,625	18,917,200	-	77,559,175
2041-2045	-	9,800,000	15,128,200	-	24,928,200
	49,925,638	289,406,006	116,086,536	17,483,636	472,901,816
Executory costs	-	265,027,968	-	-	265,027,968
	<u>\$ 49,925,638</u>	<u>\$ 24,378,038</u>	<u>\$ 116,086,536</u>	<u>\$ 17,483,636</u>	<u>\$207,873,848</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 – 2015 tax year	<u>\$ 3,788,110,615</u>
Debt limit	\$ 108,908,180
Total debt authorized and issued:	
Deemed general obligations direct bonded indebtedness	-
Other direct general obligation	85,918,777
Legal debt margin	<u>\$ 22,989,403</u>

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

7. Net Position

Restricted net position that has been restricted by enabling legislation was \$84,340,129 while \$7,037,764 for governmental activities and \$454,760 for business-type activities are restricted by 3rd party contracts and bond covenants.

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

Prior Period Adjustment

During the current fiscal year, the County adopted Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. This statement requires the County to change the accounting for the pension costs related to the County's participation in the Illinois Municipal Retirement Fund (IMRF). For defined benefit pensions, this statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial value, and attribute the present value to periods of employee service. The statement also requires enhanced note disclosures and schedules of required

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

supplementary information that will be presented by the pension plans that are within its scope. In addition, the County will also be recognizing a net pension liability (asset), deferred outflows of resources, and deferred inflows of resources related to the County's proportionate share of the collective amounts in IMRF. The aforementioned changes necessitated prior period adjustments of \$44,311 and \$8,685 in the Fund Financial Statements for the Enterprise Fund and the Internal Service Funds. The Beginning Net Position changed from \$73,484,216 to \$73,528,527 for the Enterprise Fund and from \$3,683,141 to \$3,691,826 for the Internal Service Funds. In the Government Wide Financial Statements, a prior period adjustment of \$11,294,297 was necessary for Governmental Activities. The Beginning Net Position changed from \$247,492,979 to \$236,198,682.

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, 2015, fund balances are composed of the following:

	(in thousands)					
	General Fund	Transportation Fund	Lease Payable Fund	Debt Service Fund	Non-Major Funds	Total Governmental Funds
Non-spendable						
Inventory	\$ 166	\$ 70	\$ -	\$ -	\$ 3	\$ 239
Prepays	1,658	-	164	-	20	1,842
Restricted						
Tort	-	-	-	-	1,299	1,299
Public Safety	151	-	-	-	8,959	9,110
Transportation	-	46,895	-	-	-	46,895
Leases	-	-	2,297	-	-	2,297
Debt service	-	-	-	3,616	-	3,616
Public health	-	-	-	-	9,576	9,576
Retirement	-	-	-	-	9,960	9,960
Court services	-	-	-	-	4,628	4,628
Parks & Rec	-	-	-	-	5,413	5,413
Other	-	-	-	-	4,531	4,531
Committed						
Working cash	15,745	-	-	-	-	15,745
Capital projects	5,698	-	-	-	-	5,698
Automation	1,150	-	-	-	-	1,150
Judicial	150	-	-	-	-	150
Economic Dev	17	-	-	-	-	17
Debt service	877	-	-	3,630	-	4,507
Assigned						
Automation	389	-	-	-	-	389
Judicial	40	-	-	-	-	40
Unassigned	15,804	-	-	-	(1,244)	14,560
	<u>\$ 41,845</u>	<u>\$ 46,965</u>	<u>\$ 2,461</u>	<u>\$ 7,246</u>	<u>\$ 43,145</u>	<u>\$ 141,662</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 \$538,869 and \$704,576 respectively, at December 31, 2015. The funds' deficits will be recovered at a later date.

9. Risk Management

Tort

Most insurance costs are funded and charged to the Tort Liability Fund which is included in the General Fund. The Tort Liability Fund is funded through a tax levy specifically established to cover insurance costs. Property tax revenues recognized in 2015 for tort purposes were \$3,101,024.

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. There have been no significant changes in the excess coverage in the prior 3 years and there have been no instances of settlements exceeding the excess coverage. The County participates in the Illinois Counties Risk Management Trust (ICRMT) program for many of its coverages. The ICRMT Program is a non-assessable plan.

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 \$172,357,512, exclusive of the airport, and \$100,000 self-funded retention amounts per loss. The property coverage includes flood, earthquake and mine subsidence of \$10 million (\$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. Law enforcement liability is limited to \$1,000,000 per occurrence and a \$3,000,000 annual aggregate with a \$250,000 self-funded retention. Auto liability coverage is limited to \$1,000,000 per incident with a \$250,000 self-insured retention while property damage is limited to \$7,918,577 in the aggregate. There is excess liability coverage with a limit of \$20,000,000 that applies to general liability, law enforcement, auto, and public officials. 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 \$500,000 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 \$50,000 retention for each.

For the MidAmerica St. Louis Airport operations, the County is insuring specific coverages: contractors' equipment, airport owners and operators general liability, airport public officials liability, pollution liability, property and automobiles with varying deductibles. The airport owners and operators general liability policy includes 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 and business interruption.

The blanket coverage applies to building contents, runways, taxiways and aprons, and equipment with limits of \$220 million and \$25,000 per occurrence deductibles. Coverage also applies to flood, earthquake, and mine subsidence up to \$220 million with a \$100,000 deductible. Separate automobile coverage is limited to \$1 million.

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

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

The insurance premiums and fees for Airport coverage are paid from the Tort Fund. Airport related insurance costs including premiums, legal fees and deductible payments have been recorded as transfers by the Tort Fund and charged to airport operations for the year ended December 31, 2015 in the amount of \$465,613.

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, 2015, the County estimates settlement to be \$3,062,884 of which \$1,462,530 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
2015	\$ 2,468,105	\$ 1,980,913	\$ 1,386,134	\$ 3,062,884
2014	3,105,962	1,018,975	1,656,832	2,468,105
2013	2,692,703	1,750,914	1,337,655	3,105,962

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 \$13,971,002 for the County with \$275,000 per individual and life insurance benefits are covered by third party insurance in conjunction with this program. There have been no significant decreases in the stop loss coverage in the prior 3 years and there have been no instance of settlements exceeding the stop loss coverage. 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
2015	\$ 936,888	\$ 12,316,939	\$ 11,886,953	\$ 1,366,874
2014	960,998	9,038,912	9,063,022	936,888
2013	789,494	8,754,631	8,583,127	960,998

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

10. Defined benefit pension plan - Illinois Municipal Retirement Fund

Plan Description

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

Benefits Provided

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

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

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

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

Employees Covered by Benefit Terms

As of December 31, 2015, the following employees were covered by the benefit terms:

	RP	SLEP	ECO
Retirees and Beneficiaries currently receiving benefits	646	92	23
Inactive Plan Members entitled to but not yet receiving benefits	496	40	14
Active Plan Members	668	132	23
Total	1,810	264	60

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

Contributions

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

	RP	SLEP	ECO
Annual 2015 County Contribution rate	10.45%	22.27%	53.29%
2015 Contributions	\$ 3,134,717	\$ 2,101,597	\$ 476,127

Net Pension Liability

The County's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2015:

- The **Actuarial Cost Method** used was Entry Age Normal
- The **Asset Valuation Method** used was Market Value of Assets.
- The **inflation Rate** was assumed to be 2.75%.
- **Salary Increases** were expected to be 3.75% to 14.5%.
- The **Investment Rate of Return** was assumed to be 7.48% for Regular, 7.47% for SLEP, and 7.49% for ECO.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were used with fully generational projection scale MP-2014 (base year 2014). These were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, and IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of

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

geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-term Expected Real Rate of Return
Domestic Equity	38%	7.39%
International Equity	17%	7.59%
Fixed Income	27%	3.00%
Real Estate	8%	6.00%
Alternative Investments	9%	2.75-8.15%
Cash Equivalents	1%	2.25%
Total	100%	

Single Discount Rate

A Single Discount Rate of 7.48% for Regular, 7.47% for SLEP, and 7.49% for ECO was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.5%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.48% for Regular, 7.47% for SLEP, and 7.49% for ECO.

Changes in Net Pension Liability

Regular Plan

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances at December 31, 2014	\$ 181,552,663	\$ 177,304,023	\$ 4,248,640
Changes for the year:			
Service Cost	3,290,083		3,290,083
Interest on the Total Pension Liability	13,439,215		13,439,215
Changes on Benefit Terms	-		-
Differences Between Expected & Actual Experience of the Total Pension Liability	516,342		516,342
Changes of Assumptions	445,229		445,229
Contributions – Employer		3,134,717	(3,134,717)
Contributions – Employees		1,468,391	(1,468,391)
Net Investment Income		877,987	(877,987)
Benefit Payments, including Refunds Of Employee Contributions	(8,016,344)	(8,016,344)	-
Other (Net Transfer)		(1,902,934)	1,902,934
Net Changes	9,674,525	(4,438,183)	14,112,708
Balances at December 31, 2015	\$ 191,227,188	\$ 172,865,840	\$ 18,361,348

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

SLEP Plan

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances at December 31, 2014	\$ 73,820,737	\$ 61,515,643	\$ 12,305,094
Changes for the year:			
Service Cost	1,817,345		1,817,345
Interest on the Total Pension Liability	5,482,171		5,482,171
Changes on Benefit Terms	-		-
Differences Between Expected & Actual Experience of the Total Pension Liability	(1,501,680)		(1,501,680)
Changes of Assumptions	202,867		202,867
Contributions – Employer		2,101,597	(2,101,597)
Contributions – Employees		715,895	(715,895)
Net Investment Income		306,941	(306,941)
Benefit Payments, including Refunds Of Employee Contributions	(3,072,421)	(3,072,421)	-
Other (Net Transfer)		(999,593)	999,593
Net Changes	2,928,282	(947,581)	3,875,863
Balances at December 31, 2015	\$ 76,749,019	\$ 60,568,062	\$ 16,180,957

ECO Plan

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances at December 31, 2014	\$ 18,107,026	\$ 14,998,992	\$ 3,108,034
Changes for the year:			
Service Cost	246,152		246,152
Interest on the Total Pension Liability	1,327,985		1,327,985
Changes on Benefit Terms	-		-
Differences Between Expected & Actual Experience of the Total Pension Liability	(101,307)		(101,307)
Changes of Assumptions	-		-
Contributions – Employer		476,127	(476,127)
Contributions – Employees		67,611	(67,611)
Net Investment Income		73,854	(73,854)
Benefit Payments, including Refunds Of Employee Contributions	(999,989)	(999,989)	-
Other (Net Transfer)		456,609	(456,609)
Net Changes	472,841	74,212	398,629
Balances at December 31, 2015	\$ 18,579,867	\$ 15,073,204	\$ 3,506,663

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

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.48% for Regular, 7.47% for SLEP, and 7.49% for ECO%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

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

Regular Plan

	1% Lower 6.48%	Current Discount 7.48%	1% Higher 8.48%
Net Pension Liability	\$ 42,527,095	\$18,361,348	\$ (1,463,429)

SLEP Plan

	1% Lower 6.47%	Current Discount 7.47%	1% Higher 8.47%
Net Pension Liability	\$ 27,250,958	\$ 16,180,957	\$ 7,171,122

ECO Plan

	1% Lower 6.49%	Current Discount 7.49%	1% Higher 8.49%
Net Pension Liability	\$ 5,764,091	\$ 3,506,663	\$ 1,636,836

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

For the year ended December 31, 2015, the County recognized pension expense of \$8,708,218, \$4,075,838, and \$373,223 for Regular, SLEP and ECO, respectively. At December 31, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Regular Plan

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ 337,599	\$ 395,563
Changes in assumptions	3,394,799	-
Net difference between projected and actual earnings on pension plan investments	11,183,562	-
Total Deferred Amounts to be recognized in pension expense in future periods	14,955,860	395,563
<i>Pension Contributions made subsequent to the Measurement Date</i>	-	-
Total Deferred Amounts Related to Pensions	\$ 14,955,860	\$ 395,563

SLEP Plan

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ 332,290	\$ 1,243,162
Changes in assumptions	893,666	-
Net difference between projected and actual earnings on pension plan investments	3,893,097	-
Total Deferred Amounts to be recognized in pension expense in future periods	5,119,053	1,243,162
<i>Pension Contributions made subsequent to the Measurement Date</i>	-	-
Total Deferred Amounts Related to Pensions	\$ 5,119,053	\$ 1,243,162

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

ECO Plan

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ 22,810	\$ 63,778
Changes in assumptions	152,818	-
Net difference between projected and actual earnings on pension plan investments	961,829	-
Total Deferred Amounts to be recognized in pension expense in future periods	1,137,457	63,778
<i>Pension Contributions made subsequent to the Measurement Date</i>	-	-
Total Deferred Amounts Related to Pensions	\$ 1,137,457	\$ 63,778

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

Year Ending December 31	Net Deferred Outflows of Resources		
	RP	SLEP	ECO
2016	\$ 4,642,822	\$ 1,059,253	\$ 388,637
2017	4,374,348	1,059,253	224,289
2018	3,099,037	1,059,251	250,537
2019	2,444,090	878,977	210,216
2020	-	(180,843)	-
Thereafter	-	-	-
Total	\$ 4,560,297	\$ 3,875,891	\$ 1,073,679

The allocation of amounts related to pensions is as follows:

	Primary Government	Component Unit
Deferred outflows	\$ 19,905,277	\$ 1,243,365
Net pension liabilities	36,444,996	1,603,972
Deferred inflows	1,658,042	(19,317)
Net pension expense	12,301,499	855,094

11. Post-employment Benefits other than Pension

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

The County established an irrevocable trust to fund future benefits in 2007. Currently administrative costs for the trust are minimal and paid by the OPEB Trust Fund. The 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 or paid directly from former employees and paid directly to the County's Employee Medical Trust Fund, an internal service fund. Premiums and costs are included in the Internal Service Fund. In 2015, approximately 152 retirees (including spouses) participated in the program, 719 active employees, and 6 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, 2014, the most recent actuarial valuation date, the County's plan was 100% 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	(Over) Underfunded AAL
12/31/14	\$ 2,406,381	\$ 2,439,365	\$ (32,984)
12/31/12	2,312,166	1,767,845	544,321
12/31/10	2,173,919	1,190,799	983,120
	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll	
	\$ 41,806,065	0%	
	39,318,765	1%	
	37,947,806	3%	

Annual OPEB Cost. Based on the bi-annual actuarial study done as of January 1, 2015, the County's 2015 required OPEB contribution was \$172,918. The annual contribution includes the current year's service cost of \$153,586 as well as the amortization of the unfunded actuarial accrued liability (AAL) and investment earnings of \$19,332. 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, 2014:

Actuarial accrued liability (AAL)	\$ 2,406,381
Actuarial value of plan assets	2,439,365
Unfunded actuarial accrued liability (UAAL)	<u>\$ (32,984)</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, 2014 included (a) 7% investment rate of return (net of administrative expenses); (b) projected medical increases of 7.75% grading down to 5% in year 2022 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	Actuarial Accrued Liability (AAL)
12/31/14	\$ 208,362	100%	\$ 0	\$ 2,406,381	\$ 2,406,381
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

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.

12. Deferred compensation plan

The County offers its employees two deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all permanent County employees through the National Association of Counties (NACO) and 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.

13. 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, 2015, summarized financial data for the St. Clair County Public Building Commission was as follows:

Current assets	\$ 21,176,896
Restricted assets	587,620
Capital assets	526,841
Non-current assets	34,501,758
Deferred outflows	553,367
Total assets and deferred outflows	<u>57,346,482</u>
Current liabilities	1,256,380
Long-term liabilities	23,095,855
Deferred inflows of resources	487,135
Total liabilities and deferred inflows of resources	<u>24,839,370</u>
Net Position	
Net investment in capital assets	526,841
Restricted	552,958
Unrestricted	31,427,313
Total net position	<u>\$ 32,507,112</u>
Operating revenues	\$ 12,160,167
Operating expenses	<u>(7,866,395)</u>
Operating income	4,293,772
Non-operating revenue (expenses)	44,716
Net income	4,338,488
Net position, beginning of the year (restated)	28,168,624
Net position, end of year	<u>\$ 32,507,112</u>

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

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.

14. 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 (CAA), 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, 2015 summarized financial data for the St. Clair County Intergovernmental Grants Department was as follows:

Current assets	\$ 6,817,656
Non-current assets	2,162,372
Property, plant and equipment	30,096
Deferred outflows of resources	753,775
Total assets and deferred outflows	<u>9,763,899</u>
Current liabilities	4,566,954
Long-term liabilities	3,230,155
Deferred inflows of resources	19,936
Total liabilities and deferred inflows	<u>7,817,045</u>
Net position	
Investment in capital assets	30,096
Restricted for loans	1,864,488
Unrestricted	52,270
Total net position	<u>\$ 1,946,854</u>
Program revenues	
Charges for services	\$ 837,458
Operating grants and contributions	15,777,565
Capital grants and contributions	21,098
Program expenditures-direct	(15,609,710)
Program expenditures-indirect	(731,851)
General revenues	2,844
Change in net position	<u>297,404</u>
Net position – beginning of year (restated)	1,649,450
Net position – end of year	<u>\$ 1,946,854</u>

Direct expenses for the programs during 2015 were as follows:

Jobs training and employment	\$ 3,028,909
Housing and urban development	6,770,746
Weatherization/energy assistance	5,125,739
Community service programs	626,925
Support services	57,391
	<u>\$ 15,609,710</u>

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

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

15. 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, 2015 summarized financial data for the St. Clair County Flood Prevention District was as follows:

Current assets	\$ 11,551,849
Current liabilities	1,600
Net position	
Restricted	11,550,249
Total net position	\$ 11,550,249
Sales tax	\$ 5,389,904
Less Intergovernmental transfers	3,979,496
Net program revenues	1,410,408
Program expenditures	(2,004)
General revenues	48,028
Change in net position	1,456,432
Net position – beginning of year	10,093,817
Net position – end of year	\$ 11,550,249

16. 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 has been managing the airport on behalf of the County, issued additional bonds for construction and additional land acquisitions. The repayment of these obligations is included in the County's long-term lease agreements with the Public Building Commission and is being financed through the Lease Payable fund.

17. 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 \$538,009 from the Grants Department and \$491,205 from the Public Building Commission.

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

18. Pending litigation, contingencies, and commitments

St. Clair County has been named as defendant in a number of lawsuits pending at December 31, 2015. Claims, which have not advanced to the stage of litigation, have also been made against the County. In the opinion of the State's Attorney and outside legal counsel, settlement of these matters is not expected to result in an unfunded liability to the County.

The County has entered into numerous highway construction contracts as part of the Transportation Funds continuing operations. In addition, it has been determined that the State of Illinois has overpaid certain jurisdictions their allotted share of Personal Property Replacement Tax. Accordingly future payments from the State will be decreased. The amount is estimated to be approximately \$300,000. Commitments for the 911 Emergency Telephone System have been previously discussed.

**REQUIRED SUPPLEMENTARY
INFORMATION**

ST. CLAIR COUNTY, ILLINOIS
Required Supplementary Information
Multi-year Schedule of Changes in Net Pension Liability and Related Ratios
December 31, 2015

Calendar year ending December 31,	ECO		Regular		SLEP	
	2015	2014	2015	2014	2015	2014
Total Pension Liability						
Service Cost	\$ 246,152	\$ 255,895	\$ 3,290,083	\$ 3,493,921	\$ 1,817,345	\$ 1,745,080
Interest on the Total Pension Liability	1,327,985	1,241,715	13,439,215	12,394,900	5,482,171	5,068,631
Changes in Benefit Terms	-	-	-	-	-	-
Difference between Expected and Actual Experience of the Total Pension Liability	(101,307)	83,912	516,342	(830,847)	(1,501,680)	501,338
Changes of Assumptions	-	562,186	445,229	6,446,777	202,867	1,094,927
Benefit Payments, including Refunds of Employee Contributions	(999,989)	(929,870)	(8,016,344)	(6,940,928)	(3,072,421)	(2,777,354)
Net Change in Total Pension Liability	472,841	1,213,838	9,674,525	14,563,823	2,928,282	5,632,622
Total Pension Liability - Beginning	18,107,026	16,893,188	181,552,663	166,988,840	73,820,737	68,188,115
Total Pension Liability - Ending (A)	\$ 18,579,867	\$ 18,107,026	\$ 191,227,188	\$ 181,552,663	\$ 76,749,019	\$ 73,820,737
Plan Fiduciary Net Position						
Employer Contributions	\$ 476,127	\$ 461,780	\$ 3,134,717	\$ 3,239,647	\$ 2,101,597	\$ 2,086,886
Employee Contributions	67,611	75,212	1,468,391	1,469,085	715,895	757,859
Net Investment Income	73,854	871,032	877,987	10,279,057	306,941	3,540,331
Benefit Payments, including Refunds of Employee Contributions	(999,989)	(929,870)	(8,016,344)	(6,940,928)	(3,072,421)	(2,777,354)
Other (Net Transfer)	456,609	45,182	(1,902,934)	(368,073)	(999,593)	(96,594)
Net Change in Plan Fiduciary Net Position	74,212	523,336	(4,438,183)	7,678,788	(947,581)	3,511,128
Plan Fiduciary Net Position - Beginning	14,998,992	14,475,656	177,304,023	169,625,235	61,515,643	58,004,515
Plan Fiduciary Net Position - Ending (B)	\$ 15,073,204	\$ 14,998,992	\$ 172,865,840	\$ 177,304,023	\$ 60,568,062	\$ 61,515,643
Net Pension Liability/(Asset) - Ending (A) - (B)	\$ 3,506,663	\$ 3,108,034	\$ 18,361,348	\$ 4,248,640	\$ 16,180,957	\$ 12,305,094
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	81.13%	82.84%	90.40%	97.66%	78.92%	83.33%
Covered Valuation Payroll	\$ 890,371	\$ 995,647	\$ 29,997,292	\$ 30,472,234	\$ 9,436,894	\$ 9,370,839
Net Pension Liability as a Percentage of Covered Valuation Payroll	393.84%	312.16%	61.21%	13.94%	171.46%	131.31%

Notes to Schedule:

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

ST. CLAIR COUNTY, ILLINOIS
Required Supplementary Information
Schedule of Employer Contributions
December 31, 2015

Calendar year ending December 31,	ECO		Regular		SLEP	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Actuarilly Determined Contribution	\$ 474,479	\$ 461,781	\$ 3,134,717	\$ 3,300,142	\$ 2,101,596	\$ 2,086,886
Actual Contribution	476,127	461,780	3,134,717	\$ 3,239,647	2,101,597	2,086,886
Contribution Deficiency (Excess)	(1,648)	1	-	60,495	(1)	-
Covered Valuation Payroll	890,371	995,647	29,997,292	\$ 30,472,234	9,436,894	9,370,839
Actual Contribution as a % of Covered Valuation Payroll	53.48%	46.38%	10.45%	10.63%	22.27%	22.27%
Estimate based on:						
Contribution rate	53.29%	47.00%	10.45%	11.45%	22.27%	22.89%
Covered valuation payroll	\$ 890,371	\$ 995,647	\$ 29,997,292	\$ 30,472,234	\$ 9,436,894	\$ 9,370,839

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

ST. CLAIR COUNTY, ILLINOIS
Required Supplementary Information
Notes to Net Pension Liability and Contribution Schedules
December 31, 2015

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2015 Contribution Rate*

Valuation Date:

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

Methods and Assumptions Used to Determine 2015 Contribution Rates:

Actuarial Cost Method:	Aggregate Entry Age Normal
Amortization Method:	Level percentage of payroll, Closed
Remaining Amortization Period:	28-year closed period until remaining period reaches 15 years. (then 15-year rolling period). Early Retirement Incentive Plan
	Liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 23 years for most employers.
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	4.00%
Price Inflation:	3.00%, approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases:	4.40% to 16.00%, including inflation
Investment Rate of Return:	7.50%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.
Mortality:	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.
Other Information:	
Notes:	There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2013, actuarial valuation.

ST. CLAIR COUNTY, ILLINOIS
Required Supplementary Information
Other Post-Employment Benefits
Schedule of Funding Progress
December 31, 2015

Actuarial Valuation Date	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
12/31/2014	\$ 208,362	100%	\$0
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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2014	\$ 2,439,365	\$ 2,406,381	\$ (32,984)	101.37%	\$ 41,806,065	0.00%
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%

ST. CLAIR COUNTY, ILLINOIS
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget to Actual
General Fund
For the year ended December 31, 2015

	Budgeted Amounts		Budgetary Basis	Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	\$ 13,728,920	\$ 13,728,920	\$ 7,050,848	\$ (6,678,072)
Revenue from federal/state agencies	921,567	921,567	955,008	33,441
Revenue from local government	461,000	461,000	200,173	(260,827)
Earnings on investments	323,205	323,205	263,089	(60,116)
Licenses, permits, fines, fees and services	13,480,612	13,480,612	14,120,581	639,969
State income tax	6,200,000	6,200,000	5,824,243	(375,757)
Personal property replacement tax	3,105,258	3,105,258	2,789,557	(315,701)
Sales tax	9,000,000	9,000,000	9,069,932	69,932
Pari-mutual tax	40,000	40,000	50,952	10,952
Other taxes	85,000	85,000	132,454	47,454
Miscellaneous revenues	25,050	25,050	524,427	499,377
	<u>47,370,612</u>	<u>47,370,612</u>	<u>40,981,264</u>	<u>(6,389,348)</u>
EXPENDITURES				
General government	38,069,329	37,763,939	21,806,644	(15,957,295)
Public safety	14,317,570	14,896,302	14,811,094	(85,208)
Judicial	5,631,051	5,654,572	5,439,703	(214,869)
Public health	38,100	58,100	58,100	-
	<u>58,056,050</u>	<u>58,372,913</u>	<u>42,115,541</u>	<u>(16,257,372)</u>
Excess of revenues over (under) expenditures	<u>(10,685,438)</u>	<u>(11,002,301)</u>	<u>(1,134,277)</u>	<u>9,868,024</u>
Other financing sources (uses):				
Operating transfers-in	-	-	121,850	121,850
Operating transfers-out	<u>(3,433,578)</u>	<u>(3,210,765)</u>	<u>(725,157)</u>	<u>2,485,608</u>
Total other financing sources (uses)	<u>(3,433,578)</u>	<u>(3,210,765)</u>	<u>(603,307)</u>	<u>2,607,458</u>
Net changes in fund balances	<u>\$ (14,119,016)</u>	<u>\$ (14,213,066)</u>	<u>(1,737,584)</u>	<u>\$ 12,475,482</u>
Reconciliation of budgetary basis to government fund statement of changes in fund balance:				
Effect of unrecorded assets			(390,717)	
Effect of market value adjustment on investments			(18,476)	
Effect of unrecorded liabilities			415,676	
Effect of unrecorded deferred inflows			(72,801)	
Effect of due to/from other funds			124,501	
Beginning fund balances			<u>43,524,200</u>	
Ending fund balances			<u>\$ 41,844,799</u>	

ST. CLAIR COUNTY, ILLINOIS
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget to Actual
Transportation Fund
For the year ended December 31, 2015

	Budgeted Amounts		Budgetary Basis	Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	\$ 7,855,375	\$ 7,855,375	\$ 4,863,204	\$ (2,992,171)
Motor fuel tax	5,525,000	5,525,000	4,568,263	(956,737)
Earnings on investments	226,485	226,485	301,812	75,327
Licenses, permits, fines, fees and services	815,150	815,150	330,054	(485,096)
Revenue from federal/state agencies	-	-	1,107,000	1,107,000
Revenue from local government	285,000	285,000	984,386	699,386
Miscellaneous revenues	17,050	17,050	27,791	10,741
	<u>14,724,060</u>	<u>14,724,060</u>	<u>12,182,510</u>	<u>(2,541,550)</u>
EXPENDITURES				
Transportation	<u>22,887,775</u>	<u>22,887,775</u>	<u>11,322,537</u>	<u>(11,565,238)</u>
	<u>22,887,775</u>	<u>22,887,775</u>	<u>11,322,537</u>	<u>(11,565,238)</u>
Excess of revenues over (under) expenditures	<u>(8,163,715)</u>	<u>(8,163,715)</u>	<u>859,973</u>	<u>9,023,688</u>
Other financing sources (uses):				
Operating transfers-out	<u>(2,300,000)</u>	<u>(2,300,000)</u>	<u>(1,977,156)</u>	<u>322,844</u>
Total other financing sources (uses)	<u>(2,300,000)</u>	<u>(2,300,000)</u>	<u>(1,977,156)</u>	<u>322,844</u>
Net changes in fund balances	<u>\$ (10,463,715)</u>	<u>\$ (10,463,715)</u>	<u>(1,117,183)</u>	<u>\$ 9,346,532</u>
Reconciliation of budgetary basis to government fund statement of changes in fund balance:				
Effect of unrecorded assets			(1,290,975)	
Effect of market value adjustment on investments			(24,256)	
Effect of unrecorded liabilities			(439,102)	
Effect of unrecorded deferred inflows			(766)	
Effect of due to/from other funds			580	
Beginning fund balances			<u>49,836,352</u>	
Ending fund balances			<u>\$ 46,964,650</u>	

ST. CLAIR COUNTY, ILLINOIS
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget to Actual
Lease Payable Fund
For the year ended December 31, 2015

	Budgeted Amounts		Budgetary Basis	Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	\$ 11,746,600	\$ 11,746,600	\$ 9,583,551	\$ (2,163,049)
Revenue from local governments	25,000	25,000	57,681	32,681
Earnings on investments	<u>12,240</u>	<u>12,240</u>	<u>16,793</u>	<u>\$ 4,553</u>
	<u>11,783,840</u>	<u>11,783,840</u>	<u>9,658,025</u>	<u>(2,125,815)</u>
EXPENDITURES				
General government	<u>11,746,600</u>	<u>11,746,600</u>	<u>7,824,655</u>	<u>(3,921,945)</u>
	<u>11,746,600</u>	<u>11,746,600</u>	<u>7,824,655</u>	<u>(3,921,945)</u>
Net changes in fund balances	<u>\$ 37,240</u>	<u>\$ 37,240</u>	1,833,370	<u>\$ 1,796,130</u>
Reconciliation of budgetary basis to government fund statement of changes in fund balance:				
Effect of unrecorded assets			(3,547,247)	
Effect of market value adjustment on investments			(6,296)	
Effect of unrecorded deferred inflows			49,351	
Beginning fund balances			<u>4,131,765</u>	
Ending fund balances			<u>\$ 2,460,943</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, 2015

	Budgeted Amounts		Budgetary Basis	Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	\$ 5,877,678	\$ 5,877,678	\$ -	\$ (5,877,678)
Earnings on investments	<u>47,600</u>	<u>47,600</u>	<u>64,026</u>	<u>16,426</u>
	<u>5,925,278</u>	<u>5,925,278</u>	<u>64,026</u>	<u>(5,861,252)</u>
EXPENDITURES				
Debt service	<u>11,603,525</u>	<u>11,603,525</u>	<u>6,248,950</u>	<u>(5,354,575)</u>
	<u>11,603,525</u>	<u>11,603,525</u>	<u>6,248,950</u>	<u>(5,354,575)</u>
Excess of revenues over (under) expenditures	<u>(5,678,247)</u>	<u>(5,678,247)</u>	<u>(6,184,924)</u>	<u>(506,677)</u>
Other financing sources (uses):				
Operating transfers-in	1,970,506	1,970,506	1,977,156	6,650
Bond proceeds	-	-	4,957	
Total other financing sources (uses)	<u>1,970,506</u>	<u>1,970,506</u>	<u>1,982,113</u>	<u>6,650</u>
Net changes in fund balances	<u>\$ (3,707,741)</u>	<u>\$ (3,707,741)</u>	<u>(4,202,811)</u>	<u>\$ (500,027)</u>
Reconciliation of budgetary basis to government fund statement of changes in fund balance:				
Effect of unrecorded assets			(1,513)	
Effect of market value adjustment on investments			7,334	
Beginning fund balances			<u>11,443,319</u>	
Ending fund balances			<u>\$ 7,246,329</u>	

ST. CLAIR COUNTY, ILLINOIS
Notes to Required Supplementary Information
December 31, 2015

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 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 for purposes of additional analysis in the combining and individual funds statements and schedules.

Budgetary information

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

Budgets are for the calendar year and include various Highway funds that are budgeted by project, although they lapse at year-end and require re-appropriation in the ensuing years. Budgets for the enterprise fund 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.

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

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheet - All General Fund Accounts
December 31, 2015

	General County	General County Escrow	Working Cash	Personal Property Replacement Tax	County Automation	Geographic Information System	Pari- Mutual	Tort Liability
ASSETS								
Cash	\$ 849,914	\$ 4,612	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,007
Equity in cash and investment pool	3,630,902	2,701,763	1,202,644	22,142,219	923,682	568,998	17,951	1,225,047
Accounts receivable	3,303,620	-	-	40,690	20,325	-	380	120
Taxes receivable	3,900,026	-	-	-	-	-	-	3,060,695
Interest receivable	14,932	2,863	704	-	-	-	-	1,232
Due from other funds	1,387,330	-	-	-	62,658	298	-	2,073
Inventory	166,112	-	-	-	-	-	-	-
Prepaid expenditures	12,500	-	-	-	-	-	-	1,644,899
Total assets	<u>\$ 13,265,336</u>	<u>\$ 2,709,238</u>	<u>\$ 1,203,348</u>	<u>\$ 22,182,909</u>	<u>\$ 1,006,665</u>	<u>\$ 569,296</u>	<u>\$ 18,331</u>	<u>\$ 5,949,073</u>
LIABILITIES								
Liabilities								
Accounts payable	\$ 506,965	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8	\$ 72,746
Accrued salaries	1,256,833	-	-	-	4,922	11,597	1,780	14,437
Due to other funds	93,561	-	-	-	-	-	-	2,582
Funds held in escrow	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	1,600,354
Total liabilities	<u>1,857,359</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,922</u>	<u>11,597</u>	<u>1,788</u>	<u>1,690,119</u>
DEFERRED INFLOWS OF RESOURCES								
Deferred taxes and related fees	<u>4,452,834</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,325</u>	<u>-</u>	<u>-</u>	<u>3,060,695</u>
FUND BALANCE								
Nonspendable	178,612	-	-	-	-	-	-	1,644,899
Restricted	-	-	-	-	-	-	-	-
Committed	-	-	1,203,348	15,418,523	724,272	425,445	16,543	-
Assigned	-	-	-	-	257,146	132,254	-	-
Unassigned	<u>6,776,531</u>	<u>2,709,238</u>	<u>-</u>	<u>6,764,386</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(446,640)</u>
Total fund balance	<u>6,955,143</u>	<u>2,709,238</u>	<u>1,203,348</u>	<u>22,182,909</u>	<u>981,418</u>	<u>557,699</u>	<u>16,543</u>	<u>1,198,259</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 13,265,336</u>	<u>\$ 2,709,238</u>	<u>\$ 1,203,348</u>	<u>\$ 22,182,909</u>	<u>\$ 1,006,665</u>	<u>\$ 569,296</u>	<u>\$ 18,331</u>	<u>\$ 5,949,073</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheet - All General Fund Accounts
December 31, 2015

	Capital Replacement	MetroLink Security	State's Attorney Programs	Payroll Escrow	Pool	Total General Fund
ASSETS						
Cash	\$ -	\$ -	\$ -	\$ -	\$ 32,792	\$ 902,325
Equity in cash and investment pool	6,397,482	246,442	190,248	726,933	(3,522)	39,970,789
Accounts receivable	-	2,330	-	-	-	3,367,465
Taxes receivable	-	-	-	-	-	6,960,721
Interest receivable	4,167	-	92	395	-	24,683
Due from other funds	3,657,854	7,619	-	(343,437)	(55)	4,774,042
Inventory	-	-	-	-	-	166,112
Prepaid expenditures	-	-	-	-	-	1,657,399
Total assets	<u>\$ 10,059,503</u>	<u>\$ 256,391</u>	<u>\$ 190,340</u>	<u>\$ 383,891</u>	<u>\$ 29,215</u>	<u>\$ 57,823,536</u>
LIABILITIES						
Liabilities						
Accounts payable	\$ 18,897	\$ -	\$ -	\$ -	\$ -	\$ 598,616
Accrued salaries	-	104,900	-	-	-	1,394,469
Due to other funds	4,342,195	-	-	383,891	-	4,822,229
Funds held in escrow	-	-	-	-	29,215	29,215
Other liabilities	-	-	-	-	-	1,600,354
Total liabilities	<u>4,361,092</u>	<u>104,900</u>	<u>-</u>	<u>383,891</u>	<u>29,215</u>	<u>8,444,883</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred taxes and related fees	-	-	-	-	-	7,533,854
FUND BALANCE						
Nonspendable	-	-	-	-	-	1,823,511
Restricted	-	151,491	-	-	-	151,491
Committed	5,698,411	-	150,000	-	-	23,636,542
Assigned	-	-	40,340	-	-	429,740
Unassigned	-	-	-	-	-	15,803,515
Total fund balance	<u>5,698,411</u>	<u>151,491</u>	<u>190,340</u>	<u>-</u>	<u>-</u>	<u>41,844,799</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 10,059,503</u>	<u>\$ 256,391</u>	<u>\$ 190,340</u>	<u>\$ 383,891</u>	<u>\$ 29,215</u>	<u>\$ 57,823,536</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, 2015

	General County	General County Escrow	Working Cash	Personal Property Replacement Tax	County Automation	Geographic Information System	Pari- Mutual	Tort Liability
REVENUES								
Property taxes	\$ 3,949,824	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,101,024
State income tax	5,867,284	-	-	-	-	-	-	-
Personal property replacement tax	-	-	-	2,447,763	-	-	-	-
Sales tax	9,230,019	-	-	-	-	-	-	-
Other taxes	134,448	-	-	-	-	-	51,080	-
Revenue from federal/state agencies	1,006,283	-	-	-	35,000	-	-	-
Revenue from local agencies	-	-	-	-	-	-	28,190	99,642
Licenses, permits, fines, fees and services	11,693,466	54,746	-	-	91,360	349,652	80,975	-
Earnings on investments	158,876	38,714	6,669	(19,332)	(2,909)	2,520	(60)	16,216
Miscellaneous revenues	519,873	-	-	-	-	-	-	1,908
	<u>32,560,073</u>	<u>93,460</u>	<u>6,669</u>	<u>2,428,431</u>	<u>123,451</u>	<u>352,172</u>	<u>160,185</u>	<u>3,218,790</u>
EXPENDITURES								
General government	14,874,575	-	-	-	674,285	252,881	98,264	4,075,515
Public safety	12,999,496	-	-	-	-	-	-	-
Judicial	5,432,811	-	-	-	-	-	-	-
Public Health	60,726	-	-	-	-	-	-	-
	<u>33,367,608</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>674,285</u>	<u>252,881</u>	<u>98,264</u>	<u>4,075,515</u>
Excess of revenues over (under) expenditures	<u>(807,535)</u>	<u>93,460</u>	<u>6,669</u>	<u>2,428,431</u>	<u>(550,834)</u>	<u>99,291</u>	<u>61,921</u>	<u>(856,725)</u>
Other financing sources (uses)								
Operating transfers-in	127,468	-	-	-	-	-	-	-
Operating transfers-out	(486,257)	-	-	(412,854)	-	-	-	(497,308)
Intra fund transfers (net)	<u>2,000,000</u>	<u>(3,500,000)</u>	<u>-</u>	<u>-</u>	<u>1,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>1,641,211</u>	<u>(3,500,000)</u>	<u>-</u>	<u>(412,854)</u>	<u>1,500,000</u>	<u>-</u>	<u>-</u>	<u>(497,308)</u>
Net changes in fund balances	833,676	(3,406,540)	6,669	2,015,577	949,166	99,291	61,921	(1,354,033)
Beginning fund balances	<u>6,121,467</u>	<u>6,115,778</u>	<u>1,196,679</u>	<u>20,167,332</u>	<u>32,252</u>	<u>458,408</u>	<u>(45,378)</u>	<u>2,552,292</u>
Ending fund balances	<u>\$ 6,955,143</u>	<u>\$ 2,709,238</u>	<u>\$ 1,203,348</u>	<u>\$ 22,182,909</u>	<u>\$ 981,418</u>	<u>\$ 557,699</u>	<u>\$ 16,543</u>	<u>\$ 1,198,259</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, 2015

	Capital Replacement	MetroLink Security	State's Attorney Programs	Payroll Escrow	Pool	Total General Fund
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,050,848
State income tax	-	-	-	-	-	5,867,284
Personal property replacement tax	-	-	-	-	-	2,447,763
Sales tax	-	-	-	-	-	9,230,019
Other taxes	-	-	-	-	-	185,528
Revenue from federal/state agencies	-	-	-	-	-	1,041,283
Revenue from local agencies	-	-	-	-	-	127,832
Licenses, permits, fines, fees and services	-	1,296,461	105,428	-	-	13,672,088
Earnings on investments	16,457	(105)	788	-	-	217,834
Miscellaneous revenues	-	-	-	-	-	521,781
	<u>16,457</u>	<u>1,296,356</u>	<u>106,216</u>	<u>-</u>	<u>-</u>	<u>40,362,260</u>
EXPENDITURES						
General government	850,047	-	-	-	-	20,825,567
Public safety	-	1,352,695	-	-	-	14,352,191
Judicial	-	-	51,109	-	-	5,483,920
Public Health	-	-	-	-	-	60,726
	<u>850,047</u>	<u>1,352,695</u>	<u>51,109</u>	<u>-</u>	<u>-</u>	<u>40,722,404</u>
Excess of revenues over (under) expenditures	<u>(833,590)</u>	<u>(56,339)</u>	<u>55,107</u>	<u>-</u>	<u>-</u>	<u>(360,144)</u>
Other financing sources (uses)						
Operating transfers-in	-	-	-	-	-	127,468
Operating transfers-out	(25,306)	-	(25,000)	-	-	(1,446,725)
Intra fund transfers (net)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(25,306)</u>	<u>-</u>	<u>(25,000)</u>	<u>-</u>	<u>-</u>	<u>(1,319,257)</u>
Net changes in fund balances	<u>(858,896)</u>	<u>(56,339)</u>	<u>30,107</u>	<u>-</u>	<u>-</u>	<u>(1,679,401)</u>
Beginning fund balances	<u>6,557,307</u>	<u>207,830</u>	<u>160,233</u>	<u>-</u>	<u>-</u>	<u>43,524,200</u>
Ending fund balances	<u>\$ 5,698,411</u>	<u>\$ 151,491</u>	<u>\$ 190,340</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,844,799</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheet
Transportation Fund Accounts
December 31, 2015

	County Highway	County Bridge	Matching Tax	Motor Fuel Tax	Highway Special Projects	Highway Equipment Trust	Township Motor Fuel Tax	Township Bridge	Highway Payroll	Total Transportation Fund
ASSETS										
Cash	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
Equity in cash and investment pool	2,279,432	6,254,198	5,833,712	4,578,201	26,584,322	257,514	1,047,807	-	340,677	47,175,863
Accounts receivable	40	48,651	-	302,828	-	289	72,344	-	-	424,152
Taxes receivable	2,470,803	987,647	1,341,582	-	-	-	-	-	-	4,800,032
Interest receivable	1,876	3,412	3,675	2,827	16,250	180	639	-	-	28,859
Due from other funds	827,383	(224,758)	871	60,986	-	(300,272)	(52,678)	-	(197,019)	114,513
Inventory	-	-	-	70,142	-	-	-	-	-	70,142
Total assets	<u>\$ 5,580,034</u>	<u>\$ 7,069,150</u>	<u>\$ 7,179,840</u>	<u>\$ 5,014,984</u>	<u>\$ 26,600,572</u>	<u>\$ (42,289)</u>	<u>\$ 1,068,112</u>	<u>\$ -</u>	<u>\$ 143,658</u>	<u>\$ 52,614,061</u>
LIABILITIES										
Accounts payable	\$ 199,718	\$ 37,134	\$ 445,594	\$ 8,028	\$ -	\$ 4,736	\$ 10,511	\$ -	\$ -	\$ 705,721
Accrued salaries	-	-	-	-	-	-	-	-	143,658	143,658
Total liabilities	<u>199,718</u>	<u>37,134</u>	<u>445,594</u>	<u>8,028</u>	<u>-</u>	<u>4,736</u>	<u>10,511</u>	<u>-</u>	<u>143,658</u>	<u>849,379</u>
DEFERRED INFLOWS OF RESOURCES										
Deferred taxes and related fees	<u>2,470,803</u>	<u>987,647</u>	<u>1,341,582</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,800,032</u>
FUND BALANCE										
Nonspendable	-	-	-	70,142	-	-	-	-	-	70,142
Restricted	<u>2,909,513</u>	<u>6,044,369</u>	<u>5,392,664</u>	<u>4,936,814</u>	<u>26,600,572</u>	<u>(47,025)</u>	<u>1,057,601</u>	<u>-</u>	<u>-</u>	<u>46,894,508</u>
	<u>2,909,513</u>	<u>6,044,369</u>	<u>5,392,664</u>	<u>5,006,956</u>	<u>26,600,572</u>	<u>(47,025)</u>	<u>1,057,601</u>	<u>-</u>	<u>-</u>	<u>46,964,650</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 5,580,034</u>	<u>\$ 7,069,150</u>	<u>\$ 7,179,840</u>	<u>\$ 5,014,984</u>	<u>\$ 26,600,572</u>	<u>\$ (42,289)</u>	<u>\$ 1,068,112</u>	<u>\$ -</u>	<u>\$ 143,658</u>	<u>\$ 52,614,061</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Transportation Fund Accounts
For the year ended December 31, 2015

	County Highway	County Bridge	Matching Tax	Motor Fuel Tax	Highway Special Projects	Highway Equipment Trust	Township Motor Fuel Tax	Township Bridge	Highway Payroll	Total Transportation Fund
REVENUES										
Property taxes	\$ 2,501,459	\$ 1,001,957	\$ 1,359,788	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,863,204
Motor fuel tax	-	-	-	3,779,033	-	-	762,234	-	-	4,541,267
Revenue from local agencies	-	308,393	370,827	-	-	353,818	-	-	-	1,033,038
Licenses, permits, fines, fees and services	111,933	130	-	20,998	-	15,343	-	-	-	148,404
Earnings on investments	18,330	30,748	36,211	27,678	159,213	1,732	6,325	-	-	280,237
	<u>2,631,722</u>	<u>1,341,228</u>	<u>1,766,826</u>	<u>3,827,709</u>	<u>159,213</u>	<u>370,893</u>	<u>768,559</u>	<u>-</u>	<u>-</u>	<u>10,866,150</u>
EXPENDITURES										
Transportation	<u>3,554,838</u>	<u>682,938</u>	<u>2,239,270</u>	<u>2,599,389</u>	<u>1,471,211</u>	<u>418,019</u>	<u>795,031</u>	<u>-</u>	<u>-</u>	<u>11,760,696</u>
	<u>3,554,838</u>	<u>682,938</u>	<u>2,239,270</u>	<u>2,599,389</u>	<u>1,471,211</u>	<u>418,019</u>	<u>795,031</u>	<u>-</u>	<u>-</u>	<u>11,760,696</u>
Excess of revenues over (under) expenditures	<u>(923,116)</u>	<u>658,290</u>	<u>(472,444)</u>	<u>1,228,320</u>	<u>(1,311,998)</u>	<u>(47,126)</u>	<u>(26,472)</u>	<u>-</u>	<u>-</u>	<u>(894,546)</u>
Other financing sources (uses)										
Operating transfers-out	<u>(244,289)</u>	<u>-</u>	<u>(250,000)</u>	<u>(1,482,867)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,977,156)</u>
Total other financing sources (uses)	<u>(244,289)</u>	<u>-</u>	<u>(250,000)</u>	<u>(1,482,867)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,977,156)</u>
Net changes in fund balances	(1,167,405)	658,290	(722,444)	(254,547)	(1,311,998)	(47,126)	(26,472)	-	-	(2,871,702)
Beginning fund balances	<u>4,076,918</u>	<u>5,386,079</u>	<u>6,115,108</u>	<u>5,261,503</u>	<u>27,912,570</u>	<u>101</u>	<u>1,084,073</u>	<u>-</u>	<u>-</u>	<u>49,836,352</u>
Ending fund balances	<u>\$ 2,909,513</u>	<u>\$ 6,044,369</u>	<u>\$ 5,392,664</u>	<u>\$ 5,006,956</u>	<u>\$ 26,600,572</u>	<u>\$ (47,025)</u>	<u>\$ 1,057,601</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,964,650</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheets - All Nonmajor Governmental Funds
December 31, 2015

	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
ASSETS										
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 137,400	\$ -	\$ -	\$ -	\$ -
Equity in cash and investment pool	5,391,617	5,067,718	413,700	996,682	822,350	3,265,626	18,604	5,188,751	320,220	65,572
Accounts receivable	-	-	96,083	40,668	-	645,617	-	182,388	371	207,244
Taxes receivable	2,275,296	4,368,569	-	-	-	-	-	-	367,418	-
Interest receivable	3,065	2,604	162	-	484	1,680	14	2,956	-	-
Due from other funds	-	-	-	-	-	-	-	93,027	3,346	3,172
Inventory	-	-	-	-	-	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 7,669,978</u>	<u>\$ 9,438,891</u>	<u>\$ 509,945</u>	<u>\$ 1,037,350</u>	<u>\$ 822,834</u>	<u>\$ 4,050,323</u>	<u>\$ 18,618</u>	<u>\$ 5,467,122</u>	<u>\$ 691,355</u>	<u>\$ 275,988</u>
LIABILITIES										
Accounts payable	\$ -	\$ -	\$ 111,710	\$ -	\$ 1,522	\$ -	\$ 10,000	\$ 41,909	\$ 11,717	\$ 21,220
Accrued salaries	-	-	-	-	9,202	-	-	11,723	7,112	11,427
Accrued payroll related costs	168,716	335,770	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	108,827
Unearned income	-	-	-	-	-	-	-	-	-	7,085
Total liabilities	<u>168,716</u>	<u>335,770</u>	<u>111,710</u>	<u>-</u>	<u>10,724</u>	<u>-</u>	<u>10,000</u>	<u>53,632</u>	<u>18,829</u>	<u>148,559</u>
DEFERRED INFLOWS OF RESOURCES										
Deferred taxes and related fees	<u>2,275,296</u>	<u>4,368,569</u>	<u>96,083</u>	<u>40,668</u>	<u>-</u>	<u>645,617</u>	<u>-</u>	<u>-</u>	<u>367,418</u>	<u>-</u>
FUND BALANCES										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	5,225,966	4,734,552	302,152	996,682	812,110	3,404,706	8,618	5,413,490	305,108	127,429
Unassigned	-	-	-	-	-	-	-	-	-	-
Total fund balance	<u>5,225,966</u>	<u>4,734,552</u>	<u>302,152</u>	<u>996,682</u>	<u>812,110</u>	<u>3,404,706</u>	<u>8,618</u>	<u>5,413,490</u>	<u>305,108</u>	<u>127,429</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 7,669,978</u>	<u>\$ 9,438,891</u>	<u>\$ 509,945</u>	<u>\$ 1,037,350</u>	<u>\$ 822,834</u>	<u>\$ 4,050,323</u>	<u>\$ 18,618</u>	<u>\$ 5,467,122</u>	<u>\$ 691,355</u>	<u>\$ 275,988</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheets - All Nonmajor Governmental Funds
December 31, 2015

	County Health	Landfill Surcharge	Mental Health	Civil Defense Emergency	Emergency Telephone System	Pet Population	Court Services Accounts			
							Court Automation	Court Document Storage	Electronic Citation	Circuit Clerk Title IV-D BSCE
ASSETS										
Cash	\$ 350	\$ -	\$ 1,500	\$ -	\$ 502	\$ -	\$ 48,702	\$ 49,281	\$ 6,365	\$ -
Equity in cash and investment pool	2,909,491	3,939,472	1,944,582	393,207	235,917	200,001	1,006,334	1,676,251	477,983	13,297
Accounts receivable	1,308,892	127,104	68	-	186,070	-	117	-	-	19,246
Taxes receivable	566,296	-	2,322,488	-	-	-	-	-	-	-
Interest receivable	1,775	2,983	954	230	498	130	467	816	260	-
Due from other funds	85,025	19,570	12,211	-	4,353,639	-	43,161	35,076	-	-
Inventory	2,817	-	-	-	-	-	-	-	-	-
Prepaid expenditures	20,464	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 4,895,110</u>	<u>\$ 4,089,129</u>	<u>\$ 4,281,803</u>	<u>\$ 393,437</u>	<u>\$ 4,776,626</u>	<u>\$ 200,131</u>	<u>\$ 1,098,781</u>	<u>\$ 1,761,424</u>	<u>\$ 484,608</u>	<u>\$ 32,543</u>
LIABILITIES										
Accounts payable	\$ 225,484	\$ 4,791	\$ 156,120	\$ -	\$ 53,547	\$ 3,956	\$ 1,117	\$ -	\$ -	\$ -
Accrued salaries	128,871	135,238	9,235	-	27,472	3,647	20,181	28,432	-	5,635
Accrued payroll related costs	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	495	2,871	-	-	-	-	-	-	-
Unearned income	115,116	-	-	-	-	-	-	-	-	-
Total liabilities	<u>469,471</u>	<u>140,524</u>	<u>168,226</u>	<u>-</u>	<u>81,019</u>	<u>7,603</u>	<u>21,298</u>	<u>28,432</u>	<u>-</u>	<u>5,635</u>
DEFERRED INFLOWS OF RESOURCES										
Deferred taxes and related fees	566,296	-	2,322,488	-	-	-	-	-	-	-
FUND BALANCES										
Nonspendable	23,281	-	-	-	-	-	-	-	-	-
Restricted	3,836,062	3,948,605	1,791,089	393,437	4,695,607	192,528	1,077,483	1,732,992	484,608	26,908
Unassigned	-	-	-	-	-	-	-	-	-	-
Total fund balance	<u>3,859,343</u>	<u>3,948,605</u>	<u>1,791,089</u>	<u>393,437</u>	<u>4,695,607</u>	<u>192,528</u>	<u>1,077,483</u>	<u>1,732,992</u>	<u>484,608</u>	<u>26,908</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 4,895,110</u>	<u>\$ 4,089,129</u>	<u>\$ 4,281,803</u>	<u>\$ 393,437</u>	<u>\$ 4,776,626</u>	<u>\$ 200,131</u>	<u>\$ 1,098,781</u>	<u>\$ 1,761,424</u>	<u>\$ 484,608</u>	<u>\$ 32,543</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheets - All Nonmajor Governmental Funds
December 31, 2015

Court Services Accounts (continued)

	Maintenance/ Child Support Collection	Foerclosure Mediation	Custody Exchange	Law Library	Bailiff	Total Court Services	State's Attorney Title IV-D BSCE	CASA	Childrens Advocacy Center	ACCS State's Attorney
ASSETS										
Cash	\$ -	\$ -	\$ -	\$ -	\$ 33,218	\$ 137,566	\$ -	\$ 1,102	\$ -	\$ -
Equity in cash and investment pool	834,375	148,092	1,301	144,443	-	4,302,076	1,928	6,045	65,471	6,467
Accounts receivable	-	-	-	-	-	19,363	306,637	-	-	92
Taxes receivable	-	-	-	-	-	-	-	-	60,675	-
Interest receivable	537	66	12	91	(33)	2,216	-	1	26	3
Due from other funds	256	-	-	1,386	22,141	102,020	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 835,168</u>	<u>\$ 148,158</u>	<u>\$ 1,313</u>	<u>\$ 145,920</u>	<u>\$ 55,326</u>	<u>\$ 4,563,241</u>	<u>\$ 308,565</u>	<u>\$ 7,148</u>	<u>\$ 126,172</u>	<u>\$ 6,562</u>
LIABILITIES										
Accounts payable	\$ 314	\$ -	\$ -	\$ 12,748	\$ -	\$ 14,179	\$ 960	\$ -	\$ 5,500	\$ -
Accrued salaries	893	-	-	1,917	42,170	99,228	23,163	-	-	-
Accrued payroll related costs	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	717,732	717,732	228,731	-	18,772	-
Unearned income	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>1,207</u>	<u>-</u>	<u>-</u>	<u>14,665</u>	<u>759,902</u>	<u>831,139</u>	<u>252,854</u>	<u>-</u>	<u>24,272</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES										
Deferred taxes and related fees	-	-	-	-	-	-	-	-	60,675	-
FUND BALANCES										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	833,961	148,158	1,313	131,255	-	4,436,678	55,711	7,148	41,225	6,562
Unassigned	-	-	-	-	(704,576)	(704,576)	-	-	-	-
Total fund balance	<u>833,961</u>	<u>148,158</u>	<u>1,313</u>	<u>131,255</u>	<u>(704,576)</u>	<u>3,732,102</u>	<u>55,711</u>	<u>7,148</u>	<u>41,225</u>	<u>6,562</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 835,168</u>	<u>\$ 148,158</u>	<u>\$ 1,313</u>	<u>\$ 145,920</u>	<u>\$ 55,326</u>	<u>\$ 4,563,241</u>	<u>\$ 308,565</u>	<u>\$ 7,148</u>	<u>\$ 126,172</u>	<u>\$ 6,562</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheets - All Nonmajor Governmental Funds
December 31, 2015

	State's Attorney Records Automation	State's Attorney Forfeiture	Probation Services	Mental Health Court	Detention Home	Coroner's Fund	County Drug Traffic Prevention	Sheriff's DUI Fund	Transportation Safety	Sheriff's Asset Forfeiture
ASSETS										
Cash	\$ 1,972	\$ -	\$ 27,746	\$ 1,427	\$ -	\$ -	\$ 1,020	\$ 2,274	\$ -	\$ -
Equity in cash and investment pool	45,766	14,979	1,764,067	9,814	304,431	62,601	78,042	76,445	168	227,939
Accounts receivable	-	-	130,387	-	293,330	-	4,827	-	-	19,428
Taxes receivable	-	-	-	-	505,621	-	-	-	-	-
Interest receivable	37	20	993	10	210	40	34	40	-	159
Due from other funds	-	-	1,042,095	-	30,872	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 47,775</u>	<u>\$ 14,999</u>	<u>\$ 2,965,288</u>	<u>\$ 11,251</u>	<u>\$ 1,134,464</u>	<u>\$ 62,641</u>	<u>\$ 83,923</u>	<u>\$ 78,759</u>	<u>\$ 168</u>	<u>\$ 247,526</u>
LIABILITIES										
Accounts payable	\$ -	\$ -	\$ 7,408	\$ -	\$ 5,184	\$ 390	\$ -	\$ -	\$ -	\$ 2,059
Accrued salaries	-	-	121,694	637	60,659	-	4,446	-	-	320
Accrued payroll related costs	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	1,101,869	-	-	-	-	-
Unearned income	-	-	-	-	-	-	19,209	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>129,102</u>	<u>637</u>	<u>1,167,712</u>	<u>390</u>	<u>23,655</u>	<u>-</u>	<u>-</u>	<u>2,379</u>
DEFERRED INFLOWS OF RESOURCES										
Deferred taxes and related fees	-	-	-	-	505,621	-	-	-	-	-
FUND BALANCES										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	47,775	14,999	2,836,186	10,614	-	62,251	60,268	78,759	168	245,147
Unassigned	-	-	-	-	(538,869)	-	-	-	-	-
Total fund balance	<u>47,775</u>	<u>14,999</u>	<u>2,836,186</u>	<u>10,614</u>	<u>(538,869)</u>	<u>62,251</u>	<u>60,268</u>	<u>78,759</u>	<u>168</u>	<u>245,147</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 47,775</u>	<u>\$ 14,999</u>	<u>\$ 2,965,288</u>	<u>\$ 11,251</u>	<u>\$ 1,134,464</u>	<u>\$ 62,641</u>	<u>\$ 83,923</u>	<u>\$ 78,759</u>	<u>\$ 168</u>	<u>\$ 247,526</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheets - All Nonmajor Governmental Funds
December 31, 2015

	Law Enforcement and Prosecution Grants								
	Commissary Fund	Jail Medical	Victim Witness Grant	Domestic Violence Advocate Grant	Project Renee Grant	Auto Task Force Grant	DUI/Alcohol Traffic Safety Grant	Total Law Enforcement & Prosecution Grants	Total All Nonmajor Governmental Funds
ASSETS									
Cash	\$ -	\$ 1,065	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 313,924
Equity in cash and investment pool	275,765	3	4,637	1,971	-	-	-	6,608	38,422,125
Accounts receivable	5,476	-	5,651	-	-	-	-	5,651	3,579,696
Taxes receivable	-	-	-	-	-	-	-	-	10,466,363
Interest receivable	162	2	-	-	-	-	-	-	21,488
Due from other funds	1,195	-	-	11	523	-	-	534	5,746,706
Inventory	-	-	-	-	-	-	-	-	2,817
Prepaid expenditures	-	-	-	-	-	-	-	-	20,464
Total assets	<u>\$ 282,598</u>	<u>\$ 1,070</u>	<u>\$ 10,288</u>	<u>\$ 1,982</u>	<u>\$ 523</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,793</u>	<u>\$ 58,573,583</u>
LIABILITIES									
Accounts payable	\$ 17,220	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 694,876
Accrued salaries	-	-	2,585	1,846	-	-	-	4,431	658,505
Accrued payroll related costs	-	-	-	-	-	-	-	-	504,486
Due to other funds	-	-	-	-	-	-	-	-	2,179,297
Unearned income	-	-	-	136	523	-	-	659	142,069
Total liabilities	<u>17,220</u>	<u>-</u>	<u>2,585</u>	<u>1,982</u>	<u>523</u>	<u>-</u>	<u>-</u>	<u>5,090</u>	<u>4,179,233</u>
DEFERRED INFLOWS OF RESOURCES									
Deferred taxes and related fees	-	-	-	-	-	-	-	-	11,248,731
FUND BALANCES									
Nonspendable	-	-	-	-	-	-	-	-	23,281
Restricted	265,378	1,070	7,703	-	-	-	-	7,703	44,365,783
Unassigned	-	-	-	-	-	-	-	-	(1,243,445)
Total fund balance	<u>265,378</u>	<u>1,070</u>	<u>7,703</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,703</u>	<u>43,145,619</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 282,598</u>	<u>\$ 1,070</u>	<u>\$ 10,288</u>	<u>\$ 1,982</u>	<u>\$ 523</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,793</u>	<u>\$ 58,573,583</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, 2015

	Social Security	Retirement Fund	Sale and Error	Indemnity	Recorders Office Escrow	Trustee Demolition Fund	Tourism Fund	Metro-East Park & Recreation	Veterans Assistance	General Grants
REVENUES										
Property taxes	\$ 2,303,789	\$ 4,423,008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 347,626	\$ -
Other taxes	-	-	-	-	-	-	-	-	-	-
Revenue from federal/state agencies	-	-	-	-	-	-	-	-	-	989,918
Revenue from local agencies	-	-	-	-	-	765,142	-	1,120,471	-	9,000
Licenses, permits, fines, fees and services	-	-	275,700	115,960	324,193	-	-	11,233	4,654	10,069
Earnings on investments	29,918	23,953	1,565	(578)	4,660	15,237	207	26,913	861	-
Miscellaneous revenues	-	-	-	-	-	-	-	-	-	-
	<u>2,333,707</u>	<u>4,446,961</u>	<u>277,265</u>	<u>115,382</u>	<u>328,853</u>	<u>780,379</u>	<u>207</u>	<u>1,158,617</u>	<u>353,141</u>	<u>1,008,987</u>
EXPENDITURES										
General government	2,539,356	4,663,836	315,774	-	353,100	573,668	33,900	675,187	300,547	14,808
Public safety	-	-	-	-	-	-	-	-	-	495,253
Judicial	-	-	-	-	-	-	-	-	-	76,618
Public health	-	-	-	-	-	-	-	-	-	370,500
Debt service	-	-	-	-	-	-	-	-	-	-
	<u>2,539,356</u>	<u>4,663,836</u>	<u>315,774</u>	<u>-</u>	<u>353,100</u>	<u>573,668</u>	<u>33,900</u>	<u>675,187</u>	<u>300,547</u>	<u>957,179</u>
Excess of revenues over (under) expenditures	<u>(205,649)</u>	<u>(216,875)</u>	<u>(38,509)</u>	<u>115,382</u>	<u>(24,247)</u>	<u>206,711</u>	<u>(33,693)</u>	<u>483,430</u>	<u>52,594</u>	<u>51,808</u>
Other financing sources (uses)										
Operating transfers-in	-	412,854	-	-	-	-	-	-	-	1,807
Operating transfers-out	(73,019)	(102,860)	-	(115,960)	-	-	-	-	-	(12)
Total other financing sources (uses)	<u>(73,019)</u>	<u>309,994</u>	<u>-</u>	<u>(115,960)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,795</u>
Net changes in fund balances	(278,668)	93,119	(38,509)	(578)	(24,247)	206,711	(33,693)	483,430	52,594	53,603
Beginning fund balances	<u>5,504,634</u>	<u>4,641,433</u>	<u>340,661</u>	<u>997,260</u>	<u>836,357</u>	<u>3,197,995</u>	<u>42,311</u>	<u>4,930,060</u>	<u>252,514</u>	<u>73,826</u>
Ending fund balances	<u>\$ 5,225,966</u>	<u>\$ 4,734,552</u>	<u>\$ 302,152</u>	<u>\$ 996,682</u>	<u>\$ 812,110</u>	<u>\$ 3,404,706</u>	<u>\$ 8,618</u>	<u>\$ 5,413,490</u>	<u>\$ 305,108</u>	<u>\$ 127,429</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, 2015

	County Health	Landfill Surcharge	Mental Health	Civil Defense Emergency	Emergency Telephone System	Pet Population	Court Services Accounts			
							Court Automation	Court Document Storage	Electronic Citation	Circuit Clerk Title IV-D BSCE
REVENUES										
Property taxes	\$ 575,975	\$ -	\$ 2,351,582	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-	-	-	-	-
Revenue from federal/state agencies	4,117,848	-	-	-	-	-	-	-	-	35,980
Revenue from local agencies	389,104	-	-	-	-	2,500	-	-	-	-
Licenses, permits, fines, fees and services	346,109	581,759	-	-	1,879,802	55,790	981,349	1,011,893	82,016	-
Earnings on investments	17,338	35,366	8,753	2,184	35,438	1,360	2,843	5,910	2,193	-
Miscellaneous revenues	-	-	-	-	-	39	-	-	-	-
	<u>5,446,374</u>	<u>617,125</u>	<u>2,360,335</u>	<u>2,184</u>	<u>1,915,240</u>	<u>59,689</u>	<u>984,192</u>	<u>1,017,803</u>	<u>84,209</u>	<u>35,980</u>
EXPENDITURES										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	1,833,743	-	-	2,977,686	97,203	-	-	-	-
Judicial	-	-	-	-	-	-	426,164	402,565	-	107,010
Public health	5,474,349	908,662	2,232,003	-	-	-	-	-	-	-
Debt service	-	-	-	-	475,900	-	-	-	-	-
	<u>5,474,349</u>	<u>2,742,405</u>	<u>2,232,003</u>	<u>-</u>	<u>3,453,586</u>	<u>97,203</u>	<u>426,164</u>	<u>402,565</u>	<u>-</u>	<u>107,010</u>
Excess of revenues over (under) expenditures	<u>(27,975)</u>	<u>(2,125,280)</u>	<u>128,332</u>	<u>2,184</u>	<u>(1,538,346)</u>	<u>(37,514)</u>	<u>558,028</u>	<u>615,238</u>	<u>84,209</u>	<u>(71,030)</u>
Other financing sources (uses)										
Operating transfers-in	-	-	12	-	-	-	-	-	-	-
Operating transfers-out	-	-	(25,000)	-	-	-	-	-	-	80,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(24,988)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,000</u>
Net changes in fund balances	(27,975)	(2,125,280)	103,344	2,184	(1,538,346)	(37,514)	558,028	615,238	84,209	8,970
Beginning fund balances	<u>3,887,318</u>	<u>6,073,885</u>	<u>1,687,745</u>	<u>391,253</u>	<u>6,233,953</u>	<u>230,042</u>	<u>519,455</u>	<u>1,117,754</u>	<u>400,399</u>	<u>17,938</u>
Ending fund balances	<u>\$ 3,859,343</u>	<u>\$ 3,948,605</u>	<u>\$ 1,791,089</u>	<u>\$ 393,437</u>	<u>\$ 4,695,607</u>	<u>\$ 192,528</u>	<u>\$ 1,077,483</u>	<u>\$ 1,732,992</u>	<u>\$ 484,608</u>	<u>\$ 26,908</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, 2015

	Court Services Accounts (continued)									
	Maintenance/ Child Support Collection	Foreclosure Mediation	Custody Exchange	Law Library	Bailiff	Total Court Services	State's Attorney Title IV-D BSCE	CASA	Childrens Advocacy Center	ACCS State's Attorney
REVENUES										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,337	\$ -
Other taxes	-	-	-	-	-	-	-	-	-	-
Revenue from federal/state agencies	-	-	-	-	-	35,980	671,965	-	-	-
Revenue from local agencies	-	-	-	-	-	-	-	-	-	-
Licenses, permits, fines, fees and services	83,652	76,000	85,130	222,477	861,553	3,404,070	-	7,161	-	2,482
Earnings on investments	5,417	381	144	869	(222)	17,535	-	(13)	202	20
Miscellaneous revenues	-	-	-	-	-	-	-	-	-	-
	<u>89,069</u>	<u>76,381</u>	<u>85,274</u>	<u>223,346</u>	<u>861,331</u>	<u>3,457,585</u>	<u>671,965</u>	<u>7,148</u>	<u>61,539</u>	<u>2,502</u>
EXPENDITURES										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Judicial	103,871	-	90,198	221,901	1,027,187	1,027,187	-	-	-	-
Public health	-	-	-	-	-	1,351,709	671,998	-	66,000	-
Debt service	-	-	-	-	-	-	-	-	-	-
	<u>103,871</u>	<u>-</u>	<u>90,198</u>	<u>221,901</u>	<u>1,027,187</u>	<u>2,378,896</u>	<u>671,998</u>	<u>-</u>	<u>66,000</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(14,802)</u>	<u>76,381</u>	<u>(4,924)</u>	<u>1,445</u>	<u>(165,856)</u>	<u>1,078,689</u>	<u>(33)</u>	<u>7,148</u>	<u>(4,461)</u>	<u>2,502</u>
Other financing sources (uses)										
Operating transfers-in	-	-	-	-	-	-	32	-	-	-
Operating transfers-out	(80,000)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(80,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	(94,802)	76,381	(4,924)	1,445	(165,856)	1,078,689	(1)	7,148	(4,461)	2,502
Beginning fund balances	<u>928,763</u>	<u>71,777</u>	<u>6,237</u>	<u>129,810</u>	<u>(538,720)</u>	<u>2,653,413</u>	<u>55,712</u>	<u>-</u>	<u>45,686</u>	<u>4,060</u>
Ending fund balances	<u>\$ 833,961</u>	<u>\$ 148,158</u>	<u>\$ 1,313</u>	<u>\$ 131,255</u>	<u>\$ (704,576)</u>	<u>\$ 3,732,102</u>	<u>\$ 55,711</u>	<u>\$ 7,148</u>	<u>\$ 41,225</u>	<u>\$ 6,562</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, 2015

	State's Attorney Records Automation	State's Attorney Forfeiture	Probation Services	Mental Health Court	Detention Home	Coroner's Fund	County Drug Traffic Prevention	Sheriff's DUI Fund	Transportation Safety	Sheriff's Asset Forfeiture
REVENUES										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 432,970	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-	-	-	-	-
Revenue from federal/state agencies	-	-	524,476	-	1,101,797	-	80,761	-	-	25,378
Revenue from local agencies	-	-	382,023	-	29,750	-	-	-	-	-
Licenses, permits, fines, fees and services	25,665	3,458	573,008	16,810	-	41,884	46,400	21,760	168	127,815
Earnings on investments	428	266	8,046	65	2,525	407	263	315	-	1,721
Miscellaneous revenues	-	-	-	-	-	-	-	-	-	18,500
	<u>26,093</u>	<u>3,724</u>	<u>1,487,553</u>	<u>16,875</u>	<u>1,567,042</u>	<u>42,291</u>	<u>127,424</u>	<u>22,075</u>	<u>168</u>	<u>173,414</u>
EXPENDITURES										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	1,078,764	-	1,556,563	49,716	123,308	-	-	194,611
Judicial	45,563	6,574	-	25,189	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
	<u>45,563</u>	<u>6,574</u>	<u>1,078,764</u>	<u>25,189</u>	<u>1,556,563</u>	<u>49,716</u>	<u>123,308</u>	<u>-</u>	<u>-</u>	<u>194,611</u>
Excess of revenues over (under) expenditures	<u>(19,470)</u>	<u>(2,850)</u>	<u>408,789</u>	<u>(8,314)</u>	<u>10,479</u>	<u>(7,425)</u>	<u>4,116</u>	<u>22,075</u>	<u>168</u>	<u>(21,197)</u>
Other financing sources (uses)										
Operating transfers-in	-	-	-	25,000	-	-	27,118	-	-	-
Operating transfers-out	-	(18,391)	(6,513)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(18,391)</u>	<u>(6,513)</u>	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>27,118</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	(19,470)	(21,241)	402,276	16,686	10,479	(7,425)	31,234	22,075	168	(21,197)
Beginning fund balances	<u>67,245</u>	<u>36,240</u>	<u>2,433,910</u>	<u>(6,072)</u>	<u>(549,348)</u>	<u>69,676</u>	<u>29,034</u>	<u>56,684</u>	<u>-</u>	<u>266,344</u>
Ending fund balances	<u>\$ 47,775</u>	<u>\$ 14,999</u>	<u>\$ 2,836,186</u>	<u>\$ 10,614</u>	<u>\$ (538,869)</u>	<u>\$ 62,251</u>	<u>\$ 60,268</u>	<u>\$ 78,759</u>	<u>\$ 168</u>	<u>\$ 245,147</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, 2015

	Law Enforcement and Prosecution Grants							
	Commissary fund	Jail Medical	Victim Witness Grant	Domestic Violence Advocate Grant	Project Renee Grant	Auto Task Force Grant	DUI/Alcohol Traffic Safety Grant	Total Law Enforcement & Prosecution Grants
REVENUES								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-	-	-
Revenue from federal/state agencies	-	-	26,436	38,626	214,139	10,580	-	289,781
Revenue from local agencies	-	-	-	-	-	-	-	-
Licenses, permits, fines, fees and services	320,675	12,732	-	-	-	-	-	-
Earnings on investments	1,354	21	-	13	-	4	(2)	15
Miscellaneous revenues	-	-	-	-	-	-	-	-
	<u>322,029</u>	<u>12,753</u>	<u>26,436</u>	<u>38,639</u>	<u>214,139</u>	<u>10,584</u>	<u>(2)</u>	<u>289,796</u>
EXPENDITURES								
General government	-	-	-	-	-	-	-	-
Public safety	301,602	12,458	-	-	160,313	-	-	160,313
Judicial	-	-	45,098	52,158	62,583	-	-	159,839
Public health	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
	<u>301,602</u>	<u>12,458</u>	<u>45,098</u>	<u>52,158</u>	<u>222,896</u>	<u>-</u>	<u>-</u>	<u>320,152</u>
Excess of revenues over (under) expenditures	<u>20,427</u>	<u>295</u>	<u>(18,662)</u>	<u>(13,519)</u>	<u>(8,757)</u>	<u>10,584</u>	<u>(2)</u>	<u>(30,356)</u>
Other financing sources (uses)								
Operating transfers-in	-	-	18,662	13,519	6,712	-	-	38,893
Operating transfers-out	-	-	-	-	-	(10,584)	(922)	(11,506)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>18,662</u>	<u>13,519</u>	<u>6,712</u>	<u>(10,584)</u>	<u>(922)</u>	<u>27,387</u>
Net changes in fund balances	20,427	295	-	-	(2,045)	-	(924)	(2,969)
Beginning fund balances	<u>244,951</u>	<u>775</u>	<u>7,703</u>	<u>-</u>	<u>2,045</u>	<u>-</u>	<u>924</u>	<u>10,672</u>
Ending fund balances	<u>\$ 265,378</u>	<u>\$ 1,070</u>	<u>\$ 7,703</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,703</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, 2015

	Total All Nonmajor Governmental Funds	Budgetary Basis	Final Budget
REVENUES			
Property taxes	\$ 10,496,287	\$ 10,496,287	\$ 15,208,319
Other taxes	-	949	11,000
Revenue from federal/state agencies	7,837,904	7,643,720	10,643,668
Revenue from local agencies	2,697,990	2,710,687	2,200,000
Licenses, permits, fines, fees and services	8,209,357	8,333,760	8,248,550
Earnings on investments	236,345	225,577	178,761
Miscellaneous revenues	18,539	20,658	9,406
	<u>29,496,422</u>	<u>29,431,638</u>	<u>36,499,704</u>
EXPENDITURES			
General government	9,470,176	9,652,135	19,761,560
Public safety	9,908,407	9,806,476	15,280,798
Judicial	2,403,490	2,375,207	3,647,441
Public health	8,985,514	8,983,713	12,526,209
Debt service	475,900	475,900	475,900
	<u>31,243,487</u>	<u>31,293,431</u>	<u>51,691,908</u>
Excess of revenues over (under) expenditures	<u>(1,747,065)</u>	<u>(1,861,793)</u>	<u>(15,192,204)</u>
Other financing sources (uses)			
Operating transfers-in	505,716	504,876	549,059
Operating transfers-out	<u>(353,261)</u>	<u>(171,742)</u>	<u>(203,111)</u>
Total other financing sources (uses)	<u>152,455</u>	<u>333,134</u>	<u>345,948</u>
Net changes in fund balances	(1,594,610)	\$ (1,528,659)	\$ (14,846,256)
Beginning fund balances	<u>44,740,229</u>		
Ending fund balances	<u>\$ 43,145,619</u>		

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheet
Internal Service Funds
December 31, 2015

	Employees' Medical Trust Fund	Unemployment Trust	Total
ASSETS			
Cash	\$ 20,945	\$ -	\$ 20,945
Equity in cash and investment pool	1,945,052	213,285	2,158,337
Accounts receivable	292,723	-	292,723
Interest receivable	1,906	144	2,050
Due from other funds	5,347	-	5,347
Deferred outflows of resources	73,284	-	73,284
Total assets and deferred outflows of resources	<u>2,339,257</u>	<u>213,429</u>	<u>2,552,686</u>
LIABILITIES			
Accounts payable	149,332	-	149,332
Accrued salaries	8,808	-	8,808
Accrued payroll related costs	-	22,902	22,902
Other liabilities	1,366,874	-	1,366,874
Unearned income	142,705	-	142,705
Net pension liability	89,970	-	89,970
Deferred inflows of resources	1,939	-	1,939
Total liabilities	<u>1,759,628</u>	<u>22,902</u>	<u>1,782,530</u>
NET POSITION	<u>\$ 579,629</u>	<u>\$ 190,527</u>	<u>\$ 770,156</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the year ended December 31, 2015

	Employees' Medical Trust Fund	Unemployment Trust	Total
Revenues			
Insurance premiums	\$ 10,559,988	\$ -	\$ 10,559,988
Miscellaneous	<u>24</u>	<u>-</u>	<u>24</u>
Total revenue	<u>10,560,012</u>	<u>-</u>	<u>10,560,012</u>
Expenses			
Insurance claims and premiums	12,472,199	66,807	12,539,006
Post employment benefit contribution	172,918	-	172,918
Other	<u>797,918</u>	<u>-</u>	<u>797,918</u>
Total expenses	<u>13,443,035</u>	<u>66,807</u>	<u>13,509,842</u>
Operating income (loss)	(2,883,023)	(66,807)	(2,949,830)
Other income			
Investment income	<u>26,618</u>	<u>1,542</u>	<u>28,160</u>
	<u>26,618</u>	<u>1,542</u>	<u>28,160</u>
Net income (loss)	(2,856,405)	(65,265)	(2,921,670)
Net position - beginning of year (restated)	<u>3,436,034</u>	<u>255,792</u>	<u>3,691,826</u>
Net position - end of year	<u>\$ 579,629</u>	<u>\$ 190,527</u>	<u>\$ 770,156</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Cash Flows
Internal Service Funds
For the year ended December 31, 2015

	Employees' Medical Trust Fund	Unemployment Trust	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments from customers	\$ 1,449,435	\$ -	\$ 1,449,435
Payments from interfund services provided	9,119,042	-	9,119,042
Payments to vendors	(12,941,039)	(57,180)	(12,998,219)
Payments to employees	(196,639)	-	(196,639)
Net cash provided (used) by operating activities	(2,569,201)	(57,180)	(2,626,381)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment interest	27,114	1,524	28,670
Net cash provided (used) by investing activities	27,114	1,524	28,670
Net increase (decrease) in cash and cash equivalents	(2,542,087)	(55,656)	(2,597,711)
Cash and cash equivalents - beginning of year	4,508,084	268,909	4,776,993
Cash and cash equivalents - end of year	\$ 1,965,997	\$ 213,253	\$ 2,179,282
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (2,883,023)	\$ (66,807)	\$ (2,949,830)
Adjustments to reconcile			
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(174,646)	-	(174,646)
(Increase) decrease in due to other funds	3,210	-	3,210
(Increase) decrease in deferred outflows	(40,776)	-	(40,776)
Increase (decrease) in accounts payable	19,090	-	19,090
Increase (decrease) in accrued wages and related costs	207	9,627	9,834
Increase (decrease) in other liabilities	429,986	-	429,986
Increase (decrease) in unearned income	8,665	-	8,665
Increase (decrease) in net pension liability	69,152	-	69,152
Increase (decrease) in deferred inflows	(1,066)	-	(1,066)
Net cash provided (used) by operating activities	\$ (2,569,201)	\$ (57,180)	\$ (2,626,381)
SCHEDULE OF NON-CASH FINANCING AND INVESTING ACTIVITIES			
Increase (decrease) in market value of investments	\$ -	\$ 32	\$ 32

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheet
Fiduciary Funds - Agency Funds
December 31, 2015

	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	\$ 1,026,473	\$ 724,147	\$ 544,715	\$ 2,094,855	\$ -	\$ 203,815	\$ -	\$ -	\$ -
Equity in cash and investment pool	221,942	-	-	-	83,825	-	13,611	-	896,078
Investments	-	-	-	1,255,208	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-	-
Interest receivable	154	-	-	-	-	-	-	-	523
Total assets	<u>\$ 1,248,569</u>	<u>\$ 724,147</u>	<u>\$ 544,715</u>	<u>\$ 3,350,063</u>	<u>\$ 83,825</u>	<u>\$ 203,815</u>	<u>\$ 13,611</u>	<u>\$ -</u>	<u>\$ 896,601</u>
LIABILITIES									
Accounts payable	\$ 122	\$ -	\$ -	\$ -	\$ 323	\$ -	\$ -	\$ -	\$ -
Due to taxing districts	512,153	-	-	-	-	-	-	-	-
Held pending protested tax settlement	220,311	-	-	-	-	-	-	-	-
Funds held in escrow	515,983	724,147	544,715	3,350,063	83,502	203,815	13,611	-	896,601
Total liabilities	<u>\$ 1,248,569</u>	<u>\$ 724,147</u>	<u>\$ 544,715</u>	<u>\$ 3,350,063</u>	<u>\$ 83,825</u>	<u>\$ 203,815</u>	<u>\$ 13,611</u>	<u>\$ -</u>	<u>\$ 896,601</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheet
Fiduciary Funds - Agency Funds
December 31, 2015

	Estates of Deceased Persons	County Escheat	Flood Prevention District	Total
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ 4,594,005
Equity in cash and investment pool	68,010	8,188	11,919,278	13,210,932
Investments	-	-	-	1,255,208
Accounts receivable	-	-	1,497,469	1,497,469
Interest receivable	38	5	6,411	7,131
	<u>38</u>	<u>5</u>	<u>6,411</u>	<u>7,131</u>
Total assets	<u>\$ 68,048</u>	<u>\$ 8,193</u>	<u>\$ 13,423,158</u>	<u>\$ 20,564,745</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 445
Due to taxing districts	-	-	-	512,153
Held pending protested tax settlement	-	-	-	220,311
Funds held in escrow	68,048	8,193	13,423,158	19,831,836
	<u>68,048</u>	<u>8,193</u>	<u>13,423,158</u>	<u>19,831,836</u>
Total liabilities	<u>\$ 68,048</u>	<u>\$ 8,193</u>	<u>\$ 13,423,158</u>	<u>\$ 20,564,745</u>

STATISTICAL SECTION

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

	2015*	2014	2013	2012**	2011	2010	2009	2008	2007	2006***
<u>Governmental activities</u>										
General government	\$ 24,454	\$ 20,903	\$ 20,934	\$ 20,991	\$ 15,549	\$ 21,451	\$ 16,133	\$ 15,976	\$ 15,607	\$ 16,811
Public safety	41,252	37,031	36,855	35,157	33,649	33,139	32,692	31,560	30,493	31,353
Judicial	16,564	14,646	14,524	14,709	12,408	11,697	11,446	10,720	10,930	9,553
Transportation	14,551	16,692	12,853	10,142	10,449	10,805	7,101	8,677	9,836	9,265
Public health	11,987	12,020	12,066	11,321	11,922	14,034	12,066	12,047	9,693	9,281
Interest on long-term debt	<u>711</u>	<u>712</u>	<u>716</u>	<u>738</u>	<u>645</u>	<u>802</u>	<u>823</u>	<u>839</u>	<u>874</u>	<u>896</u>
	109,519	102,004	97,948	93,058	84,622	91,928	80,261	79,819	77,433	77,159
<u>Business-type activities</u>										
Airport operations	<u>17,478</u>	<u>16,296</u>	<u>16,546</u>	<u>15,885</u>	<u>15,767</u>	<u>18,797</u>	<u>19,176</u>	<u>20,717</u>	<u>19,196</u>	<u>18,294</u>
	<u>\$ 126,997</u>	<u>\$ 118,300</u>	<u>\$ 114,494</u>	<u>\$ 108,943</u>	<u>\$ 100,389</u>	<u>\$ 110,725</u>	<u>\$ 99,437</u>	<u>\$ 100,536</u>	<u>\$ 96,629</u>	<u>\$ 95,453</u>

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

**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)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<u>Governmental activities</u>										
Property taxes	\$ 31,994	\$ 30,826	\$ 31,868	\$ 32,573	\$ 33,149	\$ 33,601	\$ 33,245	\$ 32,072	\$ 31,787	\$ 27,845
Sales taxes	9,277	9,055	8,848	8,868	8,803	8,594	7,303	7,760	8,109	7,905
Personal property replacement tax	2,448	2,558	2,632	2,301	2,381	2,543	2,422	2,748	2,968	2,439
State income tax	5,962	5,178	5,273	4,857	4,286	4,380	4,983	6,034	5,961	5,493
Other taxes	185	149	121	62	103	128	139	152	160	155
Charges for goods and services	26,133	26,013	25,551	27,179	24,536	25,342	25,461	25,246	27,144	25,024
Operating grants and contributions	11,518	12,548	11,814	11,215	12,591	13,686	14,263	16,744	10,932	10,759
Motor fuel tax	4,541	5,948	5,165	4,879	4,874	5,056	4,791	4,643	4,959	5,033
Capital grants and contributions	1,160	4,868	1,035	1,430	2,372	3,430	229	2,656	163	4,071
Earnings on investments	843	1,001	89	784	997	1,924	2,284	6,397	9,614	8,519
Miscellaneous	526	22	2	22	120	30	(18)	4	71	74
	<u>94,587</u>	<u>98,166</u>	<u>92,398</u>	<u>94,170</u>	<u>94,212</u>	<u>98,714</u>	<u>95,102</u>	<u>104,456</u>	<u>101,868</u>	<u>97,317</u>
<u>Business-type activities</u>										
Charges for goods and services	3,626	3,957	3,533	3,444	3,704	3,166	2,139	5,164	4,909	5,031
Operating grants and contributions	-	-	-	2	-	3,043	2,954	421	552	70
Capital grants and contributions	501	455	936	3,095	655	388	747	389	282	336
Earnings on investments	83	131	128	127	140	157	220	1,991	2,816	1,999
Miscellaneous	15	157	(24)	-	(17)	-	16	(630)	(63)	(47)
	<u>4,225</u>	<u>4,700</u>	<u>4,573</u>	<u>6,668</u>	<u>4,482</u>	<u>6,754</u>	<u>6,076</u>	<u>7,335</u>	<u>8,496</u>	<u>7,389</u>
	<u>\$ 98,812</u>	<u>\$ 102,866</u>	<u>\$ 96,971</u>	<u>\$ 100,838</u>	<u>\$ 98,694</u>	<u>\$ 105,468</u>	<u>\$ 101,178</u>	<u>\$ 111,791</u>	<u>\$ 110,364</u>	<u>\$ 104,706</u>

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues										
Property taxes	\$ 31,993,890	\$ 30,826,320	\$ 31,867,776	\$ 34,243,229	\$ 31,133,257	\$ 35,521,176	\$ 31,324,491	\$ 32,024,670	\$ 31,780,658	\$ 27,844,501
Sales tax	9,069,932	8,974,657	8,874,363	8,810,715	8,767,006	8,399,535	7,358,089	7,819,701	8,075,503	7,810,545
State income tax	5,824,243	5,233,174	5,683,703	5,006,997	4,731,444	3,808,188	4,667,969	6,279,718	5,793,035	5,384,277
Personal property replacement tax	2,789,557	2,616,008	2,541,093	2,292,186	2,287,994	2,596,425	2,408,048	2,854,381	2,897,583	2,450,053
Hotel/motel tax	949	18,612	8,486	13,384	13,830	14,338	14,884	15,086	16,262	15,776
Pari-mutuel tax	50,952	47,488	51,365	40,756	93,016	116,035	123,077	135,155	144,130	141,545
Motor fuel tax	4,568,263	5,959,475	5,059,252	4,878,453	4,866,442	5,048,088	4,883,073	4,620,032	4,981,350	5,203,694
Video gaming tax	132,454	85,631	55,727	749	-	-	-	-	-	-
Revenue from federal/state agencies	9,705,728	12,558,093	10,044,688	10,170,846	9,559,657	9,658,760	15,343,433	9,807,670	10,083,440	12,735,132
Revenue from local government	3,952,927	3,874,468	3,510,926	3,249,849	3,387,840	3,518,196	4,315,696	4,559,176	2,529,085	2,536,435
Licenses, permits, fines, fees, and services	22,784,395	22,076,907	22,500,280	23,899,332	20,764,141	22,513,423	22,454,045	22,263,036	22,514,074	21,501,113
Earnings on investment	871,297	792,534	776,477	822,976	813,161	1,967,010	2,762,628	6,107,564	8,875,095	7,701,387
Miscellaneous revenues	572,876	63,800	40,227	53,511	186,061	921,966	63,629	310,976	879,302	328,300
	<u>\$ 92,317,463</u>	<u>\$ 93,127,167</u>	<u>\$ 91,014,364</u>	<u>\$ 93,482,983</u>	<u>\$ 86,603,849</u>	<u>\$ 94,083,140</u>	<u>\$ 95,719,062</u>	<u>\$ 96,797,166</u>	<u>\$ 98,569,517</u>	<u>\$ 93,652,758</u>
Expenditures										
General government	\$ 39,283,434	\$ 44,507,875	\$ 45,235,986	\$ 43,939,118	\$ 39,193,909	\$ 40,667,979	\$ 37,457,205	\$ 40,813,403	\$ 38,134,268	\$ 35,485,814
Public safety	24,617,570	24,978,859	22,741,234	21,941,580	21,501,870	21,237,430	28,660,663	22,051,893	21,621,342	21,808,729
Judicial	7,814,910	7,655,617	7,737,208	7,368,321	7,027,583	6,842,081	7,307,985	6,907,125	6,495,973	6,532,644
Transportation	11,322,537	11,957,253	9,716,069	11,938,356	13,262,343	9,407,154	9,314,965	12,839,138	12,072,259	7,096,166
Public health	9,041,813	9,483,063	10,914,700	10,655,986	11,211,313	11,344,650	10,610,128	10,171,816	9,412,283	8,760,260
Debt service	6,724,850	7,773,641	4,902,059	4,738,950	1,863,125	1,870,400	325,150	1,898,300	1,899,995	1,901,875
	<u>\$ 98,805,114</u>	<u>\$ 106,356,308</u>	<u>\$ 101,247,256</u>	<u>\$ 100,582,311</u>	<u>\$ 94,060,143</u>	<u>\$ 91,369,694</u>	<u>\$ 93,676,096</u>	<u>\$ 94,681,675</u>	<u>\$ 89,636,120</u>	<u>\$ 81,585,488</u>

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

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

	2015*	2014	2013	2012**	2011	2010	2009***	2008**	2007**	2006**
Governmental activities										
Net investment in capital assets	\$ 130,726,015	\$ 126,390,280	\$ 126,366,693	\$ 125,575,053	\$ 114,976,772	\$ 107,296,887	\$ 102,997,984	\$ 93,217,282	\$ 77,608,921	\$ 66,741,398
Restricted	91,377,893	105,592,443	103,540,099	85,291,841	90,708,155	91,241,360	92,900,209	90,614,090	87,635,649	84,467,270
Unrestricted	(7,419,474)	15,509,786	29,003,724	60,396,986	68,976,893	69,767,384	69,619,435	73,764,953	76,727,911	72,902,512
Total governmental activities net position	<u>\$ 214,684,434</u>	<u>\$ 247,492,509</u>	<u>\$ 258,910,516</u>	<u>\$ 271,263,880</u>	<u>\$ 274,661,820</u>	<u>\$ 268,305,631</u>	<u>\$ 265,517,628</u>	<u>\$ 257,596,325</u>	<u>\$ 241,972,481</u>	<u>\$ 224,111,180</u>
Business-type activities										
Net investment in capital assets	\$ 87,929,218	\$ 87,480,770	\$ 95,861,298	\$ 110,057,335	\$ 102,161,775	\$ 107,043,726	\$ 110,589,303	\$ 97,855,349	\$ 95,242,618	\$ 118,993,869
Restricted	454,760	412,052	328,125	292,156	-	-	-	11,604,605	17,954,870	-
Unrestricted	(21,500,278)	(14,383,748)	(18,663,380)	(27,653,535)	(14,978,687)	(11,809,561)	(7,311,746)	-	-	(1,670,361)
Total business-type activities net position	<u>\$ 66,883,700</u>	<u>\$ 73,509,074</u>	<u>\$ 77,526,043</u>	<u>\$ 82,695,956</u>	<u>\$ 87,183,088</u>	<u>\$ 95,234,165</u>	<u>\$ 103,277,557</u>	<u>\$ 109,459,954</u>	<u>\$ 113,197,488</u>	<u>\$ 117,323,508</u>
Primary government										
Net investment in capital assets	\$ 218,655,233	\$ 213,871,050	\$ 222,227,991	\$ 235,632,388	\$ 217,138,547	\$ 214,340,613	\$ 213,587,287	\$ 191,072,631	\$ 172,851,539	\$ 185,735,267
Restricted	91,832,653	106,004,495	103,868,224	85,583,997	90,708,155	91,241,360	92,900,209	102,218,695	105,590,519	84,467,270
Unrestricted	(28,919,752)	1,126,038	10,340,344	32,743,451	53,998,206	57,957,823	62,307,689	73,764,953	76,727,911	71,232,151
Total primary government net position	<u>\$ 281,568,134</u>	<u>\$ 321,001,583</u>	<u>\$ 336,436,559</u>	<u>\$ 353,959,836</u>	<u>\$ 361,844,908</u>	<u>\$ 363,539,796</u>	<u>\$ 368,795,185</u>	<u>\$ 367,056,279</u>	<u>\$ 355,169,969</u>	<u>\$ 341,434,688</u>

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

**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	<u>2015</u> 2014	<u>2014</u> 2013	<u>2013</u> 2012	<u>2012</u> 2011	<u>2011</u> 2010	<u>2010</u> 2009	<u>2009</u> 2008	<u>2008</u> 2007	<u>2007</u> 2006	<u>2006</u> 2005
Real property										
Estimated actual value	<u>\$ 12,665,874</u>	<u>\$ 12,791,598</u>	<u>\$ 12,998,586</u>	<u>\$ 13,396,659</u>	<u>\$ 13,775,583</u>	<u>\$ 14,171,085</u>	<u>\$ 14,082,051</u>	<u>\$ 13,208,217</u>	<u>\$ 11,933,253</u>	<u>\$ 10,870,998</u>
Locally assessed values	<u>\$ 4,221,958</u>	<u>\$ 4,263,866</u>	<u>\$ 4,332,862</u>	<u>\$ 4,465,553</u>	<u>\$ 4,591,861</u>	<u>\$ 4,723,695</u>	<u>\$ 4,694,017</u>	<u>\$ 4,402,739</u>	<u>\$ 3,977,751</u>	<u>\$ 3,623,666</u>
Equalized assessed values without railroads & TIFs	<u>\$ 3,855,489</u>	<u>\$ 3,885,959</u>	<u>\$ 3,955,123</u>	<u>\$ 4,062,664</u>	<u>\$ 4,148,996</u>	<u>\$ 4,219,235</u>	<u>\$ 4,158,036</u>	<u>\$ 3,929,800</u>	<u>\$ 3,584,928</u>	<u>\$ 3,283,062</u>
Less:										
"1790" homestead exemption	(356,980)	(361,940)	(367,706)	(374,647)	(375,753)	(397,721)	(359,461)	(321,333)	(317,580)	(314,218)
Senior citizen										
homestead exemption	(91,450)	(91,042)	(72,717)	(71,857)	(69,346)	(71,693)	(69,912)	(60,552)	(59,157)	(50,351)
P.A. 83-533	-	-	-	-	(164)	(161)	(188)	(181)	(183)	(190)
Senior citizen freeze	(35,157)	(39,836)	(46,849)	(57,443)	(68,596)	(83,110)	(80,747)	(71,494)	(63,853)	(56,325)
Veteran's exemption/freeze	(9,033)	(1,118)	(1,077)	(933)	(3,393)	(4,406)	(3,085)	(1,187)	(744)	(531)
Other exemptions	(1,000)	(1,011)	(1,012)	(1,039)	(3,208)	(3,599)	(2,163)	(814)	(461)	(609)
Disabled persons	(4,026)									
Home improvement exemption	-	-	(32)	(218)	(372)	(470)	(569)	(731)	(636)	(672)
Billing value before railroad	3,357,843	3,391,012	3,465,730	3,556,527	3,628,164	3,658,075	3,641,911	3,473,508	3,142,314	2,860,166
State assessed railroad EAV	51,368	48,106	42,943	39,648	36,697	32,502	27,816	27,231	25,251	24,703
Total equalized real property used for taxes	<u>\$ 3,409,211</u>	<u>\$ 3,439,118</u>	<u>\$ 3,508,673</u>	<u>\$ 3,596,175</u>	<u>\$ 3,664,861</u>	<u>\$ 3,690,577</u>	<u>\$ 3,669,727</u>	<u>\$ 3,500,739</u>	<u>\$ 3,167,565</u>	<u>\$ 2,884,869</u>
TIF/Enterprise zone values	<u>\$ 373,133</u>	<u>\$ 377,907</u>	<u>\$ 377,738</u>	<u>\$ 402,888</u>	<u>\$ 442,866</u>	<u>\$ 504,469</u>	<u>\$ 535,980</u>	<u>\$ 469,538</u>	<u>\$ 390,668</u>	<u>\$ 339,037</u>
Ratio of equalized assessed value to locally assessed value- non-agricultural	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

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

Fiscal year extended & collected Tax year	<u>2015</u> <u>2014</u>	<u>2014</u> <u>2013</u>	<u>2013</u> <u>2012</u>	<u>2012</u> <u>2011</u>	<u>2011</u> <u>2010</u>	<u>2010</u> <u>2009</u>	<u>2009</u> <u>2008</u>	<u>2008</u> <u>2007</u>	<u>2007</u> <u>2006</u>	<u>2006</u> <u>2005</u>	<u>2005</u> <u>2004</u>
General Fund	0.1159	0.1124	0.1126	0.1133	0.1139	0.1166	0.1229	0.1317	0.1456	0.1529	0.1599
Tort Fund	0.0910	0.0884	0.0884	0.1074	0.1103	0.1104	0.1112	0.1143	0.1263	0.1282	0.0207
	<u>0.2069</u>	<u>0.2008</u>	<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>
Special revenues funds	<u>0.7319</u>	<u>0.7072</u>	<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>
Debt service fund	-	-	-	-	-	-	-	-	-	-	-
	<u>0.9388</u>	<u>0.9080</u>	<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>

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

Fiscal year extended & collected Tax year	<u>2015</u> <u>2014</u>	<u>2014</u> <u>2013</u>	<u>2013</u> <u>2012</u>	<u>2012</u> <u>2011</u>	<u>2011</u> <u>2010</u>	<u>2010</u> <u>2009</u>	<u>2009</u> <u>2008</u>	<u>2008</u> <u>2007</u>	<u>2007</u> <u>2006</u>
Original extension	\$ 32,005,671	\$ 31,227,713	\$ 32,010,176	\$ 32,840,273	\$ 33,562,790	\$ 33,904,501	\$ 33,618,874	\$ 31,927,439	\$ 31,961,243
Billing adjustments	<u>(133,121)</u>	<u>(111,789)</u>	<u>(201,236)</u>	<u>(219,150)</u>	<u>(191,947)</u>	<u>(282,658)</u>	<u>(258,721)</u>	<u>(179,444)</u>	<u>(192,830)</u>
Final Extension	31,872,550	31,115,924	31,808,940	32,621,123	33,370,843	33,621,843	33,360,153	31,747,995	31,768,413
Collections	<u>31,690,596</u>	<u>30,668,002</u>	<u>31,680,845</u>	<u>32,308,804</u>	<u>33,027,629</u>	<u>33,445,423</u>	<u>33,226,527</u>	<u>31,613,647</u>	<u>31,667,482</u>
Taken by County Trustee/forfeited	<u>\$ 181,954</u>	<u>\$ 447,922</u>	<u>\$ 128,095</u>	<u>\$ 312,319</u>	<u>\$ 343,214</u>	<u>\$ 176,420</u>	<u>\$ 133,626</u>	<u>\$ 134,348</u>	<u>\$ 100,931</u>
Percent collected	99.43%	98.56%	99.60%	99.04%	98.97%	99.48%	99.60%	99.58%	99.68%
Back taxes collected*	<u>\$ 144,914</u>	<u>\$ (26,717)</u>	<u>\$ (24,002)</u>	<u>\$ (1,047)</u>	<u>\$ 48,701</u>	<u>\$ (199,409)</u>	<u>\$ (148,940)</u>	<u>\$ 355,575</u>	<u>\$ 14,741</u>

*Back taxes collected by the Trustee on behalf of the County are not recorded by tax year and accordingly cannot be reported by tax year. In addition, these are net of prior year refunds. In 2008, back taxes included amounts erroneously not billed in prior years but collected in 2008. In 2009, 2010, 2012 and 2013, back taxes refunded exceeded back taxes collected and were paid from current tax collections.