

ST. CLAIR COUNTY

ILLINOIS



ANNUAL AUDIT REPORT

For the Fiscal Year Ended December 31, 2017

ST. CLAIR COUNTY, ILLINOIS
Comprehensive Annual Financial Report
For the year ended December 31, 2017

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

ST. CLAIR COUNTY, ILLINOIS
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For the year ended December 31, 2017

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INTRODUCTORY SECTION



PATTY A. SPRAGUE

COUNTY AUDITOR

ST. CLAIR COUNTY

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August 27, 2018

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

We hereby issue the annual financial report of St. Clair County, Illinois for the fiscal year ended December 31, 2017, in conformity with accounting principles generally accepted in the United States of America (GAAP). The financial statements have been audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

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

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, 2017, 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, 2017 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

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

Profile of the Government

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

The County is comprised of 20 townships that lie in 29 County Board districts. Board members are elected to serve four-year staggered terms. The County Board Chairman is elected at large to a four-year term. This Board is responsible for, among other things, passing ordinances and adopting the budget. The Chairman is responsible for carrying out the policies and ordinances of the Board, overseeing day-to-day operations of the government, and for appointing the heads of the various departments. The Chairman also makes committee assignments and appoints ad hoc committees.

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

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

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

Factors Affecting Financial Condition

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

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

The County has made concentrated efforts to hold down property taxes by reducing costs when possible and using reserves. Real estate taxes collected in 2017 were \$37.5 million; however, property tax revenues continue to be impacted by the use of Tax Increment Financing (TIF) agreements by its municipalities. Designed as a tool to promote economic development, growth in tax revenues from increased valuations have been thwarted by TIFs resulting in lost County tax revenues of \$4.3 million for taxes collectible in 2017. These losses are exacerbated by the extension of the TIFs beyond their initial 23 year period. There are currently 76 TIF districts in the County with expiration dates ranging from 2018 to 2040 and several more in progress. Assuming there are no further extensions or new TIF districts created, lost tax revenue for the County alone will continue to be more than the \$4 million annually.

In addition to lost revenues relating to TIFs, the recent state mandated veteran's 100% property tax exemption, which has no income eligibility requirement, resulted in a negative revenue effect of \$1.2 million in 2017; the 2018 impact is expected to be in excess of \$1.5 million, using the applicable tax rates for these years. These again are only the amounts applicable to the County's portion of tax bills. Any reductions in taxable values, whether it is from TIFs or exemptions, cause increases in taxes paid by other taxpayers who do not receive the exemptions to keep current County services.

The County's unemployment rate for its entire labor force for December, 2017 was 4.5%. Due to its varied industries and its proximity to St. Louis, the metropolitan region's rate was 4.1%. The rate for the State of Illinois was 4.7%. 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. In 2018, the Chairman was awarded the **2018 Community Leadership Award** from the national Association of Defense Communities for his work building a military-community partnership that enhances the mission of an active installation. Scott AFB has an annual economic impact of more than \$3 billion.

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

affiliation and the planned construction of a Washington University School of Medicine Siteman Cancer Center on its east campus.

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

In addition, two airports are located in the County: St. Louis Downtown Airport and MidAmerica St. Louis Airport (MidAmerica). St. Louis Downtown Airport is the base for several service, MRO, and charter operations. MidAmerica is one of Illinois' 13 primary airports and chosen as the **2018 Primary Airport of the Year** by the Illinois Department of Transportation's Department of Aeronautics. Along with scheduled passenger service, MidAmerica and Scott Air Force Base jointly operate a civilian/military airport hosting scheduled and charter passenger service, charter cargo service, general aviation, and military operations. Allegiant Airlines provides passenger service. The airline has continued to expand its passenger services since 2014 and continues in 2018 with nine destinations from MidAmerica. 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-Bellefonte has continued to grow both full-time traditional age student attendance and evening adult students. The Lindenwood University-Bellefonte campus has experienced over \$16 million in new construction and major renovations in the past several years.

Long-term Planning

As development continues to expand along the Interstate 64 corridor, the County has invested millions of dollars to expand roadways to better connect various parts of the County and facilitate travel for its residents. A major interchange was completed in 2017 by the County/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. 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. The tax has a sunset clause of 2040.

As development in the County continues to expand, the needs of County government also increase. The County has completed several major improvements and expansions in 2017 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 its five-year plan detailing certain renovations and improvements that include significant security modifications and upgrades.

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

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

Passenger service continues to expand leading to the increased collection of Passenger Facility Charges and eligibility for additional Airport Improvement funding from the FAA. Enplanements grew from 33,000 passengers in 2015 to 82,000 in 2016 and 127,000 in 2017. Enplanements are expected to be in excess of 150,000 in 2018. As normally reported by airports, this translates into 300,000 passengers going through the MidAmerica terminal.

With the rapid growth at the Airport, the FAA and the Transportation Security Administration (TSA) have been watching closely. In 2017, the TSA invested more than \$1 million dollars in new and expanded security/screening equipment to accommodate the increased number of passengers and their luggage. The County upgraded the passenger gates and the concession area was expanded while more seating was added at the gates. The parking lots were expanded in 2016 and again in 2017 adding a total of 712 parking spots, more than doubling the original parking spaces. In 2018, the Airport began charging for parking to help fund the expansions. The rental car company that currently services the Airport has already increased their footprint at the Airport and is looking to further expansion. The Airport is currently in the process of updating their Master Plan documents as part of the FAA requirements. From the study, the County expects other opportunities will be highlighted for future growth.

Cash Management Policies and Practices

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

Interest rates and investment earnings also have an impact on the County's plans for acquiring and retiring debt. With the current problems at the state, interest rates for borrowing currently available for those in Illinois are not attractive.

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, legal fees, and other ways to reduce costs including petitioning legislators regarding workmen's compensation reform. The insured assets and activities of the County continue to increase thereby increasing the overall insurance exposures and costs for the County. General government premium expense for general liability, property, and worker's compensation insurance increased from \$1,598,000 in 2016 to \$1,767,000 in 2017. Airport insurance premium expenses were increased from \$445,000 in 2016 to \$471,000 in 2017. Other self-insured claims fell by more than \$213,000. Trying to maximize the cost benefits, the County continues to explore other plan options and vendors in the marketplace. The County believes that the 2018 premium costs will be reduced.

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 2016 costs, net of stop loss reimbursements, were \$11.7 million while costs in 2017 were \$12,230,000. In 2017, changes made to the pharmaceutical broker/consultant arrangement appear to have provided substantial savings. 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 federal mandates regarding healthcare.

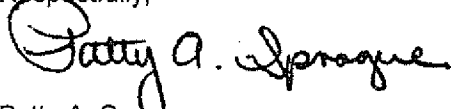
Employee Retirement System

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 2017, the rates have changed as follows: Regular employees, .96% to 10.68%; SLEP (law enforcement), 12.80% to 21.84%; and ECO (elected officials), 44.31% to 54.63%. The rates for 2018 are 10.91%, 21.13%, and 50.06%, respectively.

In 2017, the County implemented a new governmental accounting standard related to reporting other post-employment benefits (OPEB) costs and related liabilities in addition to those related to pensions. These GASB pronouncements require state and local governments to report their net pension/OPEB liabilities and associated deferrals on the face of their financial statements. Each year these estimated liabilities and related deferrals are recalculated and the net change is included in the expenses on the Statement of Activities. For 2017, additional pension/OPEB expenses were \$2.3 million more than the contributions made of \$5.2 million for the primary government. At December 31, 2017, the estimated net pension/OPEB liability was \$7.7 million with net deferral adjustments of an additional \$17.4 million.

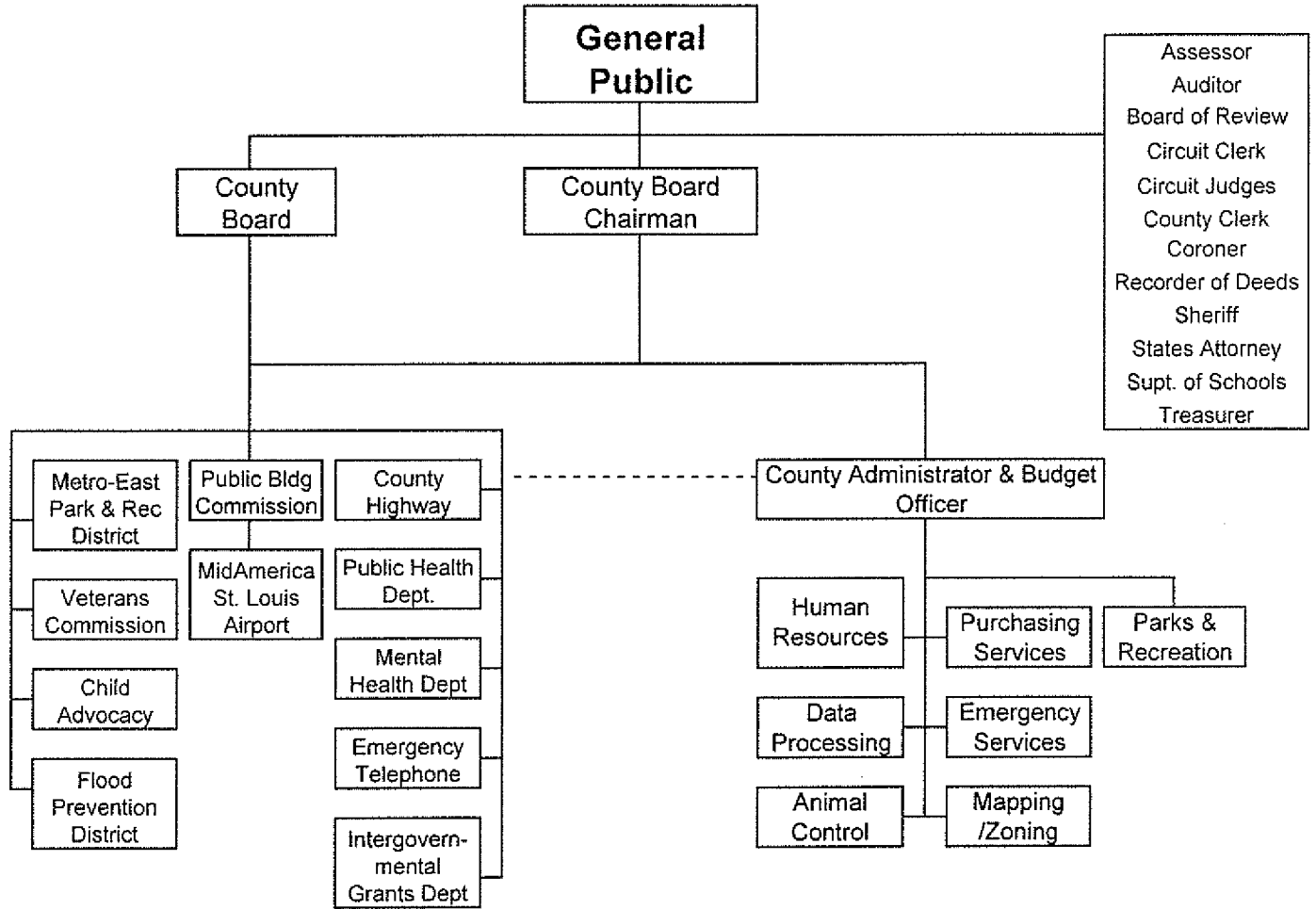
The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the St. Clair County Auditor's office and the Administration. We would like to express our appreciation to those who assisted and contributed to the preparation of this report. 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, 2017**



ST. CLAIR COUNTY, ILLINOIS

Principal Officials

December 31, 2017

County Board Members

DIST	BOARD MEMBER	DIST	BOARD MEMBER
1	Robert Allen Jr.	16	June Chartrand
2	Joan McIntosh	17	Steve Gomric
3	Willie Dancy	18	Craig Hubbard
4	Nicholas J. Miller	19	C. David Tiedemann
5	Lonnie Mosley	20	Kevin Dawson
6	Roy Mosley Jr.	21	Frank Heiligenstein
7	Bryan Bingel	22	Michael O'Donnell
8	Ken Easterley	23	Fred Boch
9	C. Richard Vernier	24	Marty Crawford
10	Paul Siebert	25	James Haywood
11	Jerry Dinges	26	Scott Tieman
12	Susan Gruberman	27	Ken Sharkey
13	Stephen Reeb	28	Joseph Kassly, Jr
14	Robert Trentman	29	Carol Clark
15	John West		

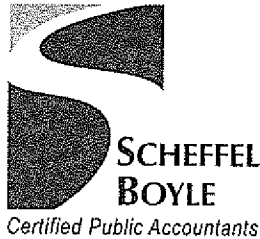
Other Elected Officials

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

Appointed Officials

Debra Moore, Director of Administration
Barbara Hohlt, Public Health Administrator
Dana Rosenzweig, Executive Director, Mental Health Board
Terry Beach, Director, Intergovernmental Grants/Economic Development
Norm Etling, 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
Greg Norkus, Probation
Don Schaefer, Detention Home
Jim Jacquot, Animal Control
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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of St. Clair County, Illinois (County), as of and for the year ended December 31, 2017, 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. We did not audit the financial statements of the Grants Department, which is 36.25 percent, 9.42 percent, and 1.36 percent, respectively, of the assets/deferred outflows, net position, and general revenues of the discretely presented component units.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of St. Clair County Intergovernmental Grants Department, which represents 36.25 percent, 9.42 percent, and 1.36 percent, respectively, of the assets, net position, and general revenues of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for St. Clair County Intergovernmental Grants Department, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information for St. Clair County, Illinois, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11, the pension plan information on pages A1-A5, the other post employment benefit information on pages A6-A8, the budgetary comparison information on pages A9 through A12 and the Notes to Required Supplementary Information on page A13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

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



Scheffel Boyle
Belleville, Illinois
August 27, 2018

ST. CLAIR COUNTY, ILLINOIS
Management's Discussion and Analysis
December 31, 2017

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, 2017. We encourage readers to consider the information presented here in conjunction with our letter of transmittal at the front of this report and the County's financial statements, which follow this section. It should also be noted that the financial statements for 2017 included the activities of the Public Building Commission as a blended component unit in compliance with accounting principles generally accepted in the United States of America. For comparative purposes, 2016 balances have been restated to include changes required by GASB 75 regarding Other Post-Employment Benefits. The discussions as noted in this management discussion and analysis will focus only on the primary government.

Financial Highlights

- The assets of St. Clair County exceeded its liabilities at the close of the year by \$304,733,000 (net position). Of this amount, \$105,958,000 is restricted for specific purposes of governmental activities. \$214,198,000 accounts for the net capital assets less related debt.
- The County net position increased \$6 million for governmental activities in 2017 with increased revenues of \$13 million and a reduction in expenses of \$553,000.
- Increased passenger service at the Airport has resulted in more than \$3.5 million in additional gross revenues from landing fees, fuel sales, passenger facility charges, grants, and related concession revenues while expenses rose \$1 million.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The combining statements referred to earlier in connection with non-major governmental funds, internal service funds, and the fiduciary funds are presented immediately following the required supplemental information. Combining and individual fund statements and schedules can be found on pages B1-B24 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 \$304,733,000 at the close of 2017.

The governmental activities' total assets/deferred outflows account for nearly 73% of total assets/deferred outflows of the County; 68% of the liabilities/deferred inflows; and 76% of net position. Nearly 54% of total assets are invested in capital assets of which nearly half of the capital assets are attributable to the Airport.

St. Clair County's Net Position

	Governmental Activities		Business-type Activities		Total	
	2016		2016		2016	
	2017	(restated)	2017	(restated)	2017	(restated)
Current assets	\$ 207,384	\$ 208,373	\$ (1,806)	\$ (2,079)	\$ 205,578	\$ 206,294
Restricted assets	311	311	1,448	1,762	1,759	2,073
Other non-current assets	86	-	(86)	-	-	-
Capital assets	150,877	140,938	131,481	134,221	282,358	275,159
Deferred outflows-pension/OPEB	10,580	15,528	64	238	10,644	15,766
Deferred outflows-other	1,219	1,450	8,457	9,246	9,676	10,696
Total assets/deferred outflows	<u>370,457</u>	<u>366,600</u>	<u>139,558</u>	<u>143,388</u>	<u>510,015</u>	<u>509,988</u>
Current liabilities	17,285	16,595	3,240	3,808	20,525	20,403
Net pension/OPEB liabilities	8,039	33,596	(297)	466	7,742	34,062
Other long-term liabilities	45,921	47,459	62,486	64,165	108,407	111,624
Deferred inflows-pension/OPEB	27,287	4,408	709	14	27,996	4,422
Deferred inflows-other	40,612	39,234	-	-	40,612	39,234
Total liabilities/deferred inflows	<u>139,144</u>	<u>141,292</u>	<u>66,138</u>	<u>68,453</u>	<u>205,282</u>	<u>209,745</u>
Net position						
Net investment in capital assets	128,017	121,647	86,181	89,754	214,198	211,401
Restricted	104,512	109,924	1,446	1,061	105,958	110,985
Unrestricted	(1,216)	(6,263)	(14,207)	(15,880)	(15,423)	(22,143)
Total net position	<u>\$ 231,313</u>	<u>\$ 225,308</u>	<u>\$ 73,420</u>	<u>\$ 74,935</u>	<u>\$ 304,733</u>	<u>\$ 300,243</u>

Current and restricted assets, comprised predominantly of cash and investments and receivables, decreased by nearly \$1 million from 2016. Unrestricted cash and investments dropped nearly \$4.7 million as a result of capital expenditures and debt service payments; however expenses were slightly reduced. Receivables increased \$3.9 million; predominately from federal/state revenues and reimbursements on highway and airport capital projects. Taxes receivable increased by almost \$1.2 million. Property tax receivables of \$38.6 million in 2017 are included in current assets but will not be collected until mid-2018 to finance the 2018/2019 expenditures. Revenue recognition for these receivables has been deferred (included in deferred inflows) and not included in the County's net position. In restricted assets, the Airport holds more than \$1 million at the end of 2017 that can only be used for certain debt service payments.

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 2017 included the addition of nearly \$18 million in capital assets (before depreciation) including projects in progress: road infrastructure, \$16.6 million; equipment, \$1 million; and land and building improvements, \$738,000. Nearly \$14.4 million remains in progress for road projects and another \$1.2 million in other projects. Road infrastructure (including related land), net of accumulated depreciation continues to be the more significant part of the capital assets of the governmental funds at nearly \$85.4 million or 61% of the total governmental activities capital assets. Major infrastructure assets that were acquired (purchased, constructed, or donated) after June 30, 1980, or that received major renovations, restorations, or improvements after that date have been capitalized and reported in the government-wide financial statements. At December 31, 2017, 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 94% of Airport assets, have been financed with County, state, and federal contributions in addition to debt proceeds. The County continues to make improvements with the financial assistance of FAA and state grant funds when feasible as well as County contributions.

Non-current liabilities represents a major component of liabilities/deferred inflows (90%); \$108 million or 52% of all liabilities is a direct result of financing capital assets and improvements and interest accretion on outstanding debt. Liabilities/deferred inflows related to pensions and post-employment benefits (OPEB) account for nearly \$36 million while other current liabilities were more than \$20 million and tend to fluctuate with operations and the timing of payments for both operations and construction projects.

At the end of the year, the County reported positive net position for both the governmental and business-type activities. The assets of St. Clair County exceeded its liabilities at the close of the year by \$304,733,000 (net position). Over 34% of net position is restricted for specific use; \$105,958,000 are restricted for specific purposes of governmental activities and business-type activities. The investment in net capital assets less related debt was \$214,198,000 at the end of 2017.

Net position of St. Clair County increased by \$4.5 million from 2016. Governmental activities experienced a positive change of \$14.6 million before transfers to Airport activities.

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

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues						
Charges for services	\$ 29,965	\$ 25,639	\$ 7,173	\$ 5,341	\$ 37,138	\$ 30,980
Operating grants & contributions	15,965	17,735	98	-	16,063	17,735
Capital grants & contributions	7,705	2,504	2,070	483	9,775	2,987
General revenues						
Property taxes	37,803	31,696	-	-	37,803	31,696
Other taxes	17,321	17,751	-	-	17,321	17,751
Investment earnings	1,135	1,149	18	38	1,153	1,187
Other	13	87	-	-	13	87
Total revenues	<u>109,907</u>	<u>96,561</u>	<u>9,359</u>	<u>5,862</u>	<u>119,266</u>	<u>102,423</u>
Expenses						
General government	21,441	21,899	-	-	21,441	21,899
Public safety	38,478	36,176	-	-	38,478	36,176
Judicial	12,578	12,677	-	-	12,578	12,677
Public health	10,309	11,130	-	-	10,309	11,130
Transportation	12,005	13,274	-	-	12,005	13,274
Interest	502	710	4,423	4,920	4,925	5,630
Airport operations	-	-	15,007	13,482	15,007	13,482
Total expenses	<u>95,313</u>	<u>95,866</u>	<u>19,430</u>	<u>18,402</u>	<u>114,743</u>	<u>114,268</u>
Changes in net position before transfers	<u>14,594</u>	<u>695</u>	<u>(10,071)</u>	<u>(12,540)</u>	<u>4,523</u>	<u>(11,845)</u>
Transfers	<u>(8,589)</u>	<u>(8,285)</u>	<u>8,589</u>	<u>8,285</u>	<u>-</u>	<u>-</u>
Changes in net position	<u>6,005</u>	<u>(7,590)</u>	<u>(1,482)</u>	<u>(4,255)</u>	<u>4,523</u>	<u>(11,845)</u>
Net position-beginning	227,295	234,885	74,935	79,190	302,230	314,075
Prior period adjustment	<u>(1,987)</u>	<u>-</u>	<u>(33)</u>	<u>-</u>	<u>(2,020)</u>	<u>-</u>
Net position-ending	<u>\$ 231,313</u>	<u>\$ 227,295</u>	<u>\$ 73,420</u>	<u>\$ 74,935</u>	<u>\$ 306,753</u>	<u>\$ 302,230</u>

Governmental Activities

Total governmental revenues increased \$13.3 million from 2016. Charges for services rose \$4,326,000. Operating grants and contributions decreased by \$1.8 million. Funding for operating grants continued to be tight. Capital grants rose by \$5.2 million due in large part to funding for road construction projects. There was a increase in property taxes of \$6.1 million. Tax rates and assessments rose slightly but exemptions and TIF adjustments continue to have a large impact on extended taxes. Property taxes account for more than 34% of governmental revenues. Other taxes declined by \$430,000. While sales tax rose, personal property replacement and state income taxes dropped more than \$653,000. Investment earnings were down slightly.

Overall governmental expenses decreased by \$553,000. Payroll and related costs increased slightly, \$241,000, before another \$154,000 adjustment for pension and other post-employment benefit estimates; reductions in certain estimated pension costs were offset by increases in special law enforcement pension costs of \$1.4 million. Tort insurance costs were nearly \$291,000 less.

Reductions in public health grants account for cuts made to related spending. 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 \$1.5 million reduction in net position for 2017 of which \$6.1 was from depreciation. Airport revenues rose by nearly \$3.5 million while expenses increased \$1 million. Increases from fuel sales, fees, and terminal concessions represented \$1.8 million while federal Airport Improvement Grants contributed another \$1.7 million toward improvements. With significant increases in ridership, Passenger Facility Charges to be used for debt service rose by \$130,000 from 2016.

Net fuel sales again increased for 2017. Fuel prices were up slightly however the number of gallons sold rose by more than 400,000 as passenger service increased. The increase of more than 45,000 passengers attributed to the increased Passenger Facility Charges revenue as well as landing fees and food and rental car concession revenues.

The Airport received capital grants for airfield and terminal improvements from the FAA and other equipment from the government surplus program totaling more than \$2,070,000. The timing of eligible FAA participation projects impacts the recognition of capital grant revenues from year to year and requires a 5% to 10% County match. Generally annual awards can be carried forward from year to year. The increased passenger traffic also makes the Airport eligible for additional Airport Improvement Program grant funds from the FAA. In 2017, the Airport also received funding toward its Master Plan project as required by the FAA in the amount of \$98,000.

Overall expenses were up more by \$1 million. Resale fuel purchases were up \$1.5 million while interest costs were reduced by nearly \$500,000. Other operating expenses increased by \$126,000 as depreciation declined by \$23,000. Depreciation accounts for more than 31% of total expenses.

Interest continues to be a major expense of the Airport. Interest expense was \$4.4 million in 2017. Interest of \$64,000 was accrued as part of the accretion of the capital appreciation bonds that matured in 2017 and \$3,553,000 was charged for the current interest bonds and other debt. Amortization of premiums and deferred loss was \$806,000 in 2017.

The County continues to provide support to the Airport through operating transfers from other County funds. These transfers included cash of \$1,530,200 and costs paid on behalf of the Airport. These costs included personnel benefit costs of \$406,000, insurance of \$536,000, and debt service of \$4,940,000. In addition the County made capital grant matching payments of \$159,000. The Public Building Commission and the County contributed \$956,000 toward the parking lot expansion and \$60,000 in other operating costs.

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 2017, St. Clair County's governmental funds reported combined ending fund balances of approximately \$121 million, a decrease of \$7 million from 2016, after a transfer of \$8.3 million to the Airport, inclusive of benefits, insurance, and debt service as discussed above under business-type activities. Approximately \$21 million constitutes an unassigned fund balance which is available for spending at the government's discretion. The remainder of the fund balance is non-spendable, restricted, committed, or assigned; not available for new spending because it has already been committed to pay debt service, insurance costs and claims, or other restrictive purposes as designated by statute or management.

The *General Fund* is the chief operating fund of St. Clair County. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$23 million, while the total fund balance was \$30 million. Certain prepaid expenses and inventory account for \$601,000 of non-spendable fund balances while \$151,000 is contractually restricted. The County has committed \$4.3 million to fund certain County capital projects in 2018, \$698,000 for GIS, automation and other expenses, and assigned \$1.2 million for working cash.

There was a \$1.9 million increase in the fund balance for the General Fund. Revenues increased by \$6.3 million and expenditures rose by approximately \$4.1 million; net transfers to other funds were \$12.8 million lower than 2016 as \$13.2 was transferred to the Debt Service Fund to meet certain reserve requirements set in bond documents in 2016. Property taxes were higher by \$5 million and state income, personal property replacement, and sales taxed were relatively flat. Revenues from federal and state agencies

were \$154,000 more in 2017. Revenues for licenses and fees rose by \$1.3 million in 2017 due to increases in the collection of court fees and fines and fees related to the consolidation of dispatching services mandated by the State of Illinois. This requirement in turn had a significant impact on increased public safety costs that also included increases in probation and sheriff costs collectively totaling to nearly \$4 million.

The *Transportation Fund* had a fund balance of \$37.7 million at the end of 2017. This was a drop of more than \$5.8 million from 2016. Revenues and expenditures fluctuate from year to year due to construction projects and participation by federal, state, and other local units. Revenues increased almost \$5,613,000; motor fuel tax fell \$85,000 while federal, state, and local contributions for projects grew by nearly \$5.7 million. Expenditures increased \$7.8 million. Transfers of \$1,974,000 were paid to the debt service fund during the year to fund principal and interest payments on the outstanding highway construction bonds.

The *Lease Payable* fund balance was higher by nearly \$215,000. Property taxes increased \$2,544,000. Taxes are levied to fund capital lease payment requirements, including operations, and maintenance, on certain County owned property. Expenditures and transfers increased \$241,000. In 2016, expenditures had been partially funded by existing reserves.

The *Debt Service Fund* decreased by nearly \$3.7 million for 2017. At the end of 2016, \$13.2 was transferred in from the General Fund in large part to meet reserve requirements set in the bond documents. Revenues, consisting of investment earnings, rose by \$114,000. Debt service payments were basically unchanged from 2016. Certain 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 \$3.8 million and are included as transfers.

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

The internal service activities are comprised of employee medical and unemployment insurance activities and occupancy costs. The net result from these activities was a net income of \$3,654,000 compared to income of \$2,942,000 in 2016. Medical insurance premiums charged increased \$286,000 while insurance premiums and claims increased by \$504,000. In addition, actuarially determined contributions for Other Post-Employment Benefits increased by \$162,000. Rents and other revenues increased by \$254,000 as other operating costs for occupancy activities decreased by \$782,000.

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 \$5.2 million. Property taxes were lower than budgeted by \$4.2 million due to abatements. General licenses, fines and fees and revenues from other agencies were higher by \$597,000; State income, personal property replacement, and sales and other taxes were lower than anticipated by \$862,000 while federal and state revenues were less by \$775,000.

As in prior years, the most significant variance in the General Fund is in general government expenditures. This difference of \$17.9 million relates predominantly in the Capital Replacement (\$11,330,000) and Tort (\$5,737,000) activities. The County budgeted the Capital Replacement Fund to fund possible Airport and County capital needs 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 2017 was \$282,358,000, 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		Business-type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Land & improvements	\$ 18,773	\$ 18,505	\$ 42,511	\$ 42,542	\$ 61,284	\$ 61,047
Buildings & support facilities	28,291	29,774	27,892	29,094	56,183	58,868
Construction in progress	1,121	933	2,111	437	3,232	1,370
Machinery & equipment	11,513	10,959	4,644	4,861	16,157	15,820
Projects in progress	49	2,033	-	-	49	2,033
Infrastructure-highway	76,711	67,071	-	-	76,711	67,071
Infrastructure-airport	-	-	54,323	57,287	54,323	57,287
Infrastructure in progress	14,419	11,663	-	-	14,419	11,663
Total	\$ 150,877	\$ 140,938	\$ 131,481	\$ 134,221	\$ 282,958	\$ 275,159

In 2017, the County completed certain County building improvements and other smaller projects in the amount of \$549,000. There was another \$1,121,000 of improvements still in progress at the end of the year. Equipment additions were nearly \$3 million which included 911 towers and equipment, public safety vehicles and equipment, highway maintenance equipment and data processing equipment. There had been \$2 million in 911 systems in progress at the end of 2016. The County posted almost \$8.2 million of depreciation expense in 2017 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 2017; however many were joint projects with local districts with federal and state participation. County projects underway at the end of the year were \$14.4 million while the County completed \$13,598,000 in County road projects during 2017. Land acquisitions over the course of several years allowed the County to begin or complete various projects that had previously been delayed.

The Airport continued to make investments in equipment and facilities during 2017. The Airport added \$49,000 to complete a \$257,000 Airport Improvement Project (FAA/state participation) to upgrade the airfield lighting while working on airfield shoulders and roads (\$1,453,000). Due to increased passenger service, \$271,000 was spent on terminal upgrades with FAA participation while \$980,000 was spent on the expansion of the passenger terminal parking lot facilities. Other building improvements and equipment totaling nearly \$598,000 were acquired during the year. Depreciation expense for 2017 was \$6.1 million.

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

Long-term debt. St. Clair County's long-term debt decreased by \$3,300,000 from 2016. At the end of the year, St. Clair County had outstanding long-term debt in the amount of \$111,039,000. Of the total, 58% of the debt was from the Airport activities.

St. Clair County's Long-term Obligations

(in thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Revenue bonds						
Highway	\$ 26,666	\$ 27,531	\$ -	\$ -	\$ 26,666	\$ 27,531
Land & buildings	10,995	11,022	10,727	11,352	21,722	22,374
General obligation bonds	-	-	50,356	51,890	50,356	51,890
Capital lease obligations						
Equipment	3,087	2,981	-	-	3,087	2,981
Debt certificates	3,975	4,265	3,098	3,248	7,073	7,513
Note payable	-	-	129	-	129	-
General obligation contracts	261	167	-	-	261	167
Insurance claims	1,745	1,856	-	-	1,745	1,856
Total	\$ 46,729	\$ 47,822	\$ 64,310	\$ 66,490	\$ 111,039	\$ 114,312

Governmental Activities

Long-term obligations for governmental activities decreased by more than \$1 million in 2017. Highway funds were used to make principal payments of \$922,000 on Highway revenue bonds and equipment leases during the year and \$45,000 in amortization of the premium. The Lease Payable fund is servicing capital lease obligation debt to the Public Building Commission for County office

buildings, animal control facilities, and public safety facilities. Principal reductions were \$20,000. The reduction in the Emergency Telephone System debt certificates was \$290,000 while there was \$105,000 in interest accretion on equipment leases. The estimated long-term insurance claims decreased by \$111,000. Changes are discussed in more detail in the notes to the financial statements.

Business-type Activities

The Airport made principal payments of \$1,615,000 on its general obligation debt. Accretion of interest on the general obligation capital appreciation bonds was \$64,000 with net amortization of premiums/discounts of \$16,000. Certain capital lease obligations were reduced by \$625,000 (funded by the Lease Payable Fund). Principal payments of \$150,000 were also made to reduce the debt certificates that were issued in 2013. The Airport entered into a \$128,700 note payable to the Public Building Commission to finance certain fueling equipment.

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

Economic Factors and Next Year's Budgets and Rates

- Assessed valuations have increased but exemptions passed on by the State and TIF district expansion are impacting the real estate tax revenues collectible by the County.
- Supporting the Scott Air Force Base activities and growth in the surrounding area has increased the need for changes in government facilities and infrastructure.
- Tort insurance rates and claims continue to fluctuate while medical costs continue to rise. The future of the federal healthcare requirements and related legislation is still unclear.
- Federal and state mandates related to elections are expected to be costly.
- State of Illinois budget deficits are affecting state funding and distributed revenues.
- Additional State mandates being pushed to the local level are continuing.
- MidAmerica St Louis Airport continues to see significant growth in passenger activity.
- Expansion of terminal parking and charging for parking provides an additional revenue source.

These factors were considered in preparing St. Clair County's budget for 2018.

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

Requests for Information

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

BASIC FINANCIAL STATEMENTS

ST. CLAIR COUNTY, ILLINOIS
Statement of Net Position
December 31, 2017

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Grants Department	Flood Prevention
ASSETS					
Current assets					
Cash	\$ 1,821,227	\$ 295,750	\$ 2,116,977	\$ 2,826,449	\$ -
Equity in cash and investment pool	115,619,443	101,529	115,720,972	-	14,201,588
Investments	29,938,129	-	29,938,129	-	-
Funds held in trust	-	486,091	486,091	-	-
Accounts receivable	16,221,073	1,000,083	17,221,156	1,579,530	1,489,199
Taxes receivable (net)	38,580,842	-	38,580,842	-	-
Revolving/forgivable loans receivable	-	-	-	1,153,761	-
Interest receivable	140,122	92	140,214	-	12,735
Internal balances	4,204,468	(4,204,468)	-	-	-
Note receivable (payable) - current	42,472	(42,472)	-	-	-
Inventory	310,723	557,099	867,822	-	-
Other assets	-	-	-	108,895	-
Prepaid expenditures	505,130	-	505,130	-	-
Total current assets	<u>207,383,629</u>	<u>(1,806,296)</u>	<u>205,577,333</u>	<u>5,668,635</u>	<u>15,703,522</u>
Restricted assets					
Equity in cash and investment pool	-	1,014,859	1,014,859	-	-
Investments	310,545	259,336	569,881	-	-
Accounts receivable	-	32,143	32,143	-	-
Interest receivable	-	826	826	-	-
Deposits	-	141,077	141,077	-	-
Total restricted assets	<u>310,545</u>	<u>1,448,241</u>	<u>1,758,786</u>	<u>-</u>	<u>-</u>
Noncurrent assets					
Revolving/forgivable loans receivable	-	-	-	2,526,388	-
Note receivable (payable)	86,228	(86,228)	-	-	-
Net pension asset	-	-	-	563,649	-
Capital assets	150,877,203	131,481,431	282,358,634	6,558	-
Total noncurrent assets	<u>150,963,431</u>	<u>131,395,203</u>	<u>282,358,634</u>	<u>3,096,595</u>	<u>-</u>
Deferred outflows of resources					
Deferred outflows related to pensions	10,580,430	64,117	10,644,547	163,283	-
Deferred outflows on refinancing	1,218,716	8,456,602	9,675,318	-	-
Total outflows of resources	<u>11,799,146</u>	<u>8,520,719</u>	<u>20,319,865</u>	<u>163,283</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$370,456,751</u>	<u>\$139,557,867</u>	<u>\$510,014,618</u>	<u>\$ 8,928,513</u>	<u>\$ 15,703,522</u>

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Statement of Net Position
(continued)
December 31, 2017

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Grants Department	Flood Prevention
LIABILITIES					
Current liabilities					
Accounts payable	\$ 6,086,122	\$ 542,951	\$ 6,629,073	\$ 1,345,304	\$ 1,487,980
Accrued salaries	2,450,476	89,298	2,539,774	149,714	-
Accrued payroll related costs	3,828,548	123,910	3,952,458	124,841	-
Accrued interest	52,417	766,254	818,671	-	-
Funds held in escrow	680,451	22,729	703,180	78,401	-
Insurance claims	2,736,179	-	2,736,179	-	-
Unearned income	642,423	-	642,423	658,414	-
Debt certificates - current	295,000	155,000	450,000	-	-
General obligation bonds - current	-	895,000	895,000	-	-
General obligation contract - current	98,297	-	98,297	-	-
Revenue bonds - current	20,000	645,000	665,000	-	-
Obligations under capital lease-current	394,760	-	394,760	-	-
Revolving/forgivable loans liability	-	-	-	1,153,761	-
Total current liabilities	<u>17,284,673</u>	<u>3,240,142</u>	<u>20,524,815</u>	<u>3,510,435</u>	<u>1,487,980</u>
Noncurrent liabilities					
Debt certificates	3,680,000	2,943,437	6,623,437	-	-
General obligation bonds payable	-	49,460,713	49,460,713	-	-
General obligation contract	162,743	-	162,743	-	-
Revenue bonds	37,641,389	10,081,762	47,723,151	-	-
Obligations under capital lease-equipment	2,691,834	-	2,691,834	-	-
Revolving/forgivable loans liability	-	-	-	2,526,388	-
Net OPEB liability	1,518,989	25,220	1,544,209	62,167	-
Net pension liability	6,520,208	(322,513)	6,197,695	-	-
Insurance claims	1,745,000	-	1,745,000	-	-
Total noncurrent liabilities	<u>53,960,163</u>	<u>62,188,619</u>	<u>116,148,782</u>	<u>2,588,555</u>	<u>-</u>
Total liabilities	<u>71,244,836</u>	<u>65,428,761</u>	<u>136,673,597</u>	<u>6,098,990</u>	<u>1,487,980</u>
Deferred inflows of resources					
Deferred taxes and related fees	40,272,383	-	40,272,383	-	-
Deferred inflows on refinancing	339,237	-	339,237	-	-
Deferred inflows related to OPEB	1,011	17	1,028	41	-
Deferred inflows related to pensions	27,286,100	708,969	27,995,069	1,351,897	-
	<u>67,898,731</u>	<u>708,986</u>	<u>68,607,717</u>	<u>1,351,938</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>139,143,567</u>	<u>66,137,747</u>	<u>205,281,314</u>	<u>7,450,928</u>	<u>1,487,980</u>
NET POSITION					
Net investment in capital assets	128,017,195	86,181,075	214,198,270	6,558	-
Restricted	104,511,651	1,446,241	105,957,892	1,704,045	14,215,542
Unrestricted	(1,215,662)	(14,207,196)	(15,422,858)	(233,018)	-
Total net position	<u>\$231,313,184</u>	<u>\$ 73,420,120</u>	<u>\$304,733,304</u>	<u>\$ 1,477,585</u>	<u>\$ 14,215,542</u>

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Statement of Activities
For the year ended December 31, 2017

Function/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position							
	Expenses	Charges for Goods and Services	Operating Grants and Contributions		Primary Government Business-type Activities		Component Units					
			Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Grants Department	Flood Prevention			
Primary Government												
Governmental activities												
General government	\$ 21,441,300	\$ 9,504,244	\$ 1,145,978	\$ 15,900	\$ (10,775,178)	\$ -	\$ (10,775,178)					
Public safety	38,495,937	8,294,138	3,521,009	-	(26,680,790)	-	(26,680,790)					
Judicial	12,559,546	7,825,070	1,332,415	-	(3,402,061)	-	(3,402,061)					
Public health	10,309,017	792,351	5,682,666	-	(5,530,102)	-	(5,530,102)					
Transportation	12,005,119	3,549,134	4,282,630	7,688,506	5,211,253	-	5,211,253					
Unallocated interest	501,750	-	-	-	(501,750)	-	(501,750)					
Total governmental activities	95,312,669	29,964,937	15,964,698	7,704,406	(41,678,628)	-	(41,678,628)					
Business-type activities												
Airport	19,430,487	7,172,881	98,559	2,069,894	-	(10,089,153)	(10,089,153)					
Total primary government	\$114,743,156	\$37,137,818	\$16,063,257	\$9,774,300	(41,678,628)	(10,089,153)	(51,767,781)					
Component units												
Grants Department	\$ 15,829,608	\$ 133,440	\$ 15,507,745	\$ -						\$ (188,423)		\$ (4,677,699)
Flood prevention	4,677,699	-	-	-								
	\$ 20,507,307	\$ 133,440	\$ 15,507,745	\$ -								
General revenues												
Taxes												
Property taxes					37,802,884		37,802,884					
Sales taxes					9,672,838		9,672,838					5,474,467
Personal property replacement tax					2,471,589		2,471,589					
State income tax					4,966,928		4,966,928					
Other taxes					209,979		209,979					
Unrestricted investment earnings					1,135,159	18,078	1,153,237			11,634		101,619
Miscellaneous					12,696		12,696			751		
Gain (loss) on disposal of assets					679		679					
Transfers					(8,588,789)	8,588,789	-					
Total general revenues and transfers					47,683,963	8,606,867	56,290,830			12,385		5,576,086
Changes in net position					6,005,335	(1,482,286)	4,523,049			(176,038)		898,387
Net position - beginning (restated)					225,307,849	74,902,406	300,210,255			1,653,623		13,317,155
Net position - ending					\$ 231,313,184	\$ 73,420,120	\$ 304,733,304			\$ 1,477,585		\$ 14,215,542

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Balance Sheet
Governmental Funds
December 31, 2017

	General	Transportation Fund	Lease Payable Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	\$ 1,364,667	\$ 500	\$ -	\$ -	\$ 153,687	\$ 1,518,854
Equity in cash and investment pool	25,065,267	39,735,984	422,211	13,007,795	37,341,286	115,572,543
Accounts receivable	3,757,877	1,022,126	-	-	4,928,412	9,708,415
Taxes receivable	12,089,833	4,864,693	12,065,282	-	9,561,034	38,580,842
Interest receivable	23,606	38,439	3,280	13,699	31,462	110,486
Due from other funds	8,025,969	117,960	-	-	4,507,128	12,651,057
Inventory	96,325	207,025	-	-	7,373	310,723
Prepaid expenditures	504,512	-	164,250	-	20,873	689,635
Total assets	\$ 50,928,056	\$ 45,986,727	\$ 12,655,023	\$ 13,021,494	\$ 56,551,255	\$ 179,142,555
LIABILITIES						
Accounts payable	\$ 354,348	\$ 2,993,947	\$ -	\$ -	\$ 2,438,528	\$ 5,786,823
Accrued salaries	1,767,938	137,657	-	-	447,064	2,352,659
Accrued payroll related costs	-	-	-	-	534,430	534,430
Internal balances	3,479,663	-	-	-	3,204,293	6,683,956
Funds held in escrow	645,763	-	-	-	-	645,763
Other liabilities	982,466	-	-	-	-	982,466
Unearned income	8,863	308,283	-	-	173,144	490,290
Total liabilities	7,239,041	3,439,887	-	-	6,797,459	17,476,387
DEFERRED INFLOWS OF RESOURCES						
Deferred taxes and related fees	12,890,429	4,864,693	12,065,282	-	10,451,979	40,272,383
Total liabilities and deferred inflows of resources	20,129,470	8,304,580	12,065,282	-	17,249,438	57,748,770
FUND BALANCES						
Nonspendable	600,837	207,025	164,250	-	28,246	1,000,358
Restricted	486,023	37,475,122	425,491	3,724,134	41,202,103	83,312,873
Committed	5,025,646	-	-	3,786,851	-	8,812,497
Assigned	1,622,348	-	-	5,510,509	-	7,132,857
Unassigned	23,063,732	-	-	-	(1,928,532)	21,135,200
Total fund balances	30,798,586	37,682,147	589,741	13,021,494	39,301,817	121,393,785
Total liabilities, deferred inflows of resources and fund balance	\$ 50,928,056	\$ 45,986,727	\$ 12,655,023	\$ 13,021,494	\$ 56,551,255	\$ 179,142,555

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, 2017

Total fund balances for governmental funds	\$ 121,393,785
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.	5,894,290
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	150,301,537
Internal service funds are used by the County to account for the financing and maintenance of facilities, employee medical benefits and unemployment benefits provided to the other County departments or agencies, generally on a cost reimbursement basis. The assets and liabilities of the internal services funds that are included in governmental activities in the statement of net position. Internal service funds net position is:	26,536,096
Long-term liabilities, net of deferred outflows, applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position.	(48,643,806)
Pension and OPEB obligations, net of deferred outflows and inflows of resources related to pensions and OPEB, that are not due and payable in the current period and, therefore, are not reported in the governmental funds.	<u>(24,168,718)</u>
Total net position of governmental activities	<u>\$ 231,313,184</u>

ST. CLAIR COUNTY, ILLINOIS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2017

	General	Transportation Fund	Lease Payable Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 11,983,419	\$ 4,550,657	\$ 11,970,421	\$ -	\$ 9,298,387	\$ 37,802,884
State income tax	5,437,038	-	-	-	-	5,437,038
Personal property replacement tax	2,471,589	-	-	-	-	2,471,589
Sales tax	9,681,070	-	-	-	-	9,681,070
Motor fuel tax	-	4,668,441	-	-	-	4,668,441
Other taxes	209,979	-	-	-	-	209,979
Revenue from federal/state agencies	583,823	2,485,688	-	-	9,820,588	12,890,099
Revenue from local agencies	87,367	3,677,620	30,443	-	2,769,477	6,564,907
Licenses, permits, fines, fees and services	14,834,150	56,444	-	-	8,142,694	23,033,288
Earnings on investments	192,836	373,591	21,515	132,517	292,998	1,013,457
Miscellaneous revenues	14,620	-	-	-	1,573	16,193
	<u>45,495,891</u>	<u>15,812,441</u>	<u>12,022,379</u>	<u>132,517</u>	<u>30,325,717</u>	<u>103,788,945</u>
EXPENDITURES						
Current						
General government	18,579,958	-	9,306,589	-	9,374,031	37,260,578
Public safety	16,554,712	-	-	-	8,421,985	24,976,697
Judicial	4,702,414	-	-	-	3,051,705	7,754,119
Public health	41,216	-	-	-	8,427,953	8,469,169
Transportation	-	2,695,198	-	-	-	2,695,198
Capital outlay						
General government	79,052	-	557,561	-	15,900	652,513
Public safety	163,373	-	216,550	-	353,435	733,358
Judicial	-	-	-	-	-	-
Public health	-	-	-	-	12,595	12,595
Transportation	-	16,870,500	-	-	-	16,870,500
Debt service						
General government	-	-	572,013	-	-	572,013
Public safety	-	-	-	-	555,161	555,161
Transportation	-	108,600	-	1,974,406	-	2,083,006
	<u>40,120,725</u>	<u>19,674,298</u>	<u>10,652,713</u>	<u>1,974,406</u>	<u>30,212,765</u>	<u>102,634,907</u>
Excess (deficiency) of revenues over (under)expenditures	<u>5,375,166</u>	<u>(3,861,857)</u>	<u>1,369,666</u>	<u>(1,841,889)</u>	<u>112,952</u>	<u>1,154,038</u>
Other financing sources (uses):						
Operating transfers-in	128,266	-	-	1,974,406	415,224	2,517,896
Operating transfers-out	<u>(3,572,547)</u>	<u>(1,974,406)</u>	<u>(1,153,048)</u>	<u>(3,787,637)</u>	<u>(342,242)</u>	<u>(10,829,880)</u>
Total other financing sources (uses)	<u>(3,444,281)</u>	<u>(1,974,406)</u>	<u>(1,153,048)</u>	<u>(1,813,231)</u>	<u>72,982</u>	<u>(8,311,984)</u>
Net changes in fund balances	1,930,885	(5,836,263)	216,618	(3,655,120)	185,934	(7,157,946)
Beginning fund balances	<u>28,867,701</u>	<u>43,518,410</u>	<u>373,123</u>	<u>16,676,614</u>	<u>39,115,883</u>	<u>128,551,731</u>
Ending fund balances	<u>\$ 30,798,586</u>	<u>\$ 37,682,147</u>	<u>\$ 589,741</u>	<u>\$ 13,021,494</u>	<u>\$ 39,301,817</u>	<u>\$ 121,393,785</u>

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, 2017

Net change in fund balances - total governmental funds \$ (7,157,946)

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. 9,731,492

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 1,116,153

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 940,392

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. 130,867

Internal service funds are used by management to charge the costs of certain financing and maintenance of facilities and certain insurance activities to individual funds. The net income (loss) of certain internal service funds is reported with governmental activities (net of amounts allocated to business-type activities): 3,412,593

The changes in net pension and OPEB obligations and deferred outflows and inflows related to pensions and OPEB, that do not require the use of current financial resources and, therefore, are not reported as expenditure in the funds. (2,168,216)

Changes in net position of governmental activities \$ 6,005,335

ST. CLAIR COUNTY, ILLINOIS
Statement of Net Position
Proprietary Funds
December 31, 2017

	Enterprise Fund MidAmerica St. Louis Airport	Internal Service Funds
ASSETS		
Current assets		
Cash	\$ 295,750	\$ 302,373
Equity in cash and investment pool	101,529	46,900
Investments	-	29,938,129
Funds held in trust	486,091	-
Accounts receivable	1,000,083	618,368
Interest receivable	92	29,636
Due from other funds	-	11,405
Inventory	557,099	-
Note receivable (payable) - current portion	(42,472)	42,472
Net investment in direct financing leases	-	678,667
Prepaid expenses	-	1,257
Total current assets	2,398,172	31,669,207
Restricted assets		
Equity in investment pool	1,014,859	-
Investments	-	569,881
Accounts receivable	32,143	-
Interest receivable	826	-
Deposits	141,077	-
Total restricted assets	1,188,905	569,881
Noncurrent assets		
Note receivable (payable)	(86,228)	86,228
Net investment in direct financing leases	-	21,325,696
Capital assets	131,481,431	575,666
	131,395,203	21,987,590
Deferred outflows of resources		
Deferred outflows related to pensions	64,117	152,851
Deferred charges on refinancing	8,456,602	-
	8,520,719	152,851
Total assets and deferred outflows of resources	\$ 143,502,999	\$ 54,379,529

ST. CLAIR COUNTY, ILLINOIS
Statement of Net Position
Proprietary Funds
(continued)
December 31, 2017

	Enterprise Fund MidAmerica St. Louis Airport	Internal Service Funds
LIABILITIES		
Current liabilities		
Accounts payable	\$ 542,951	\$ 299,299
Accrued salaries	89,298	97,817
Accrued payroll related costs	123,910	194,933
Accrued interest	723,031	89,200
Due to other funds	4,160,131	1,818,375
Other liabilities	-	1,753,713
Unearned income	-	337,896
Funds held in escrow	22,729	-
Revenue bonds - current	-	665,000
General obligation bonds - current	895,000	-
Debt certificates - current	155,000	-
Obligations under capital lease - current	655,867	-
Total current liabilities	7,367,917	5,256,233
Noncurrent liabilities		
Internal balances	12,816,918	(12,816,918)
Funds held in escrow	-	34,688
Debt certificates	2,943,437	-
Revenue bonds	-	21,057,114
General obligation bonds	49,460,713	-
Obligations under capital lease	10,325,270	-
Net OPEB liability	25,220	71,966
Net pension liability (asset)	(322,513)	(439,177)
Total noncurrent liabilities	75,249,045	7,907,673
Total liabilities	82,616,962	13,163,906
Deferred inflows of resources		
Unamortized gain on refinancing	-	339,237
Deferred inflows related to pensions and OPEB	708,986	1,097,222
Total deferred inflows of resources	708,986	1,436,459
Total liabilities and deferred inflows of resources	83,325,948	14,600,365
NET POSITION		
Net investment in capital assets	86,181,075	575,666
Restricted	1,446,241	42,537,897
Unrestricted	(27,450,265)	(3,334,399)
Total net position	60,177,051	\$ 39,779,164
Some amounts reported for business-type activities in the statement of position are different because certain internal service fund assets and liabilities are included with business-type activities		
	13,243,069	
Net position - business-type activities	\$ 73,420,120	

ST. CLAIR COUNTY, ILLINOIS
Statement of Revenues, Expenses,
and Changes in Net Position
Proprietary Funds
For the year ended December 31, 2017

	Enterprise Fund MidAmerica St. Louis Airport	Internal Service Funds
CHARGES FOR GOODS AND SERVICES		
Landing fees and terminal area use charges	\$ 247,751	\$ -
Rents, concessions and other services	885,999	12,209,423
Intergovernmental revenues	98,559	419,131
Other	29,149	503
Fuel sales (less costs of \$4,556,884)	374,185	-
Insurance premiums	-	11,109,255
Total operating revenues	1,635,643	23,738,312
OPERATING EXPENSES		
Operating expenses	4,164,713	6,514,967
Insurance claims and premiums	-	12,305,375
Post-employment benefit contribution	-	334,951
Interest expense	-	1,037,399
Depreciation and amortization	6,091,528	13,134
Total operating expenses	10,256,241	20,205,826
Operating income (loss)	(8,620,598)	3,532,486
NONOPERATING REVENUES (EXPENSES)		
Investment earnings	18,078	121,702
Interest expense	(4,423,202)	-
Passenger facility charges	366,120	-
Real estate leases (net of expenses)	553,843	-
Total nonoperating expenses	(3,485,161)	121,702
Net income (loss)	(12,105,759)	3,654,188
Transfers-in	8,311,984	-
Capital contributions	2,069,894	-
Change in net assets	(1,723,881)	3,654,188
Net position - beginning of year (restated)	61,900,932	36,124,976
Net position - end of year	60,177,051	\$ 39,779,164
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise fund	13,243,069	
Net position - business-type activities	\$ 73,420,120	

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Statement of Cash Flows
Proprietary Funds
For the year ended December 31, 2017

	Enterprise Fund MidAmerica St. Louis Airport	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments from customers and tenants	\$ 6,018,677	\$ 2,263,125
Payments from interfund services provided	-	21,692,949
Payments to vendors	(6,647,580)	(14,970,770)
Payments to employees	(1,045,263)	(1,638,863)
Net cash provided (used) by operating activities	(1,674,166)	7,346,441
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Interest paid	-	(1,089,734)
Principal payments on bonds	-	(645,000)
Payments on behalf of business-type activities	-	(276,805)
Transfers from general fund	1,530,200	-
Net cash provided (used) by non-capital financing activities	1,530,200	(2,011,539)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal payments on debt certificates	(150,000)	-
Interest paid	(134,624)	-
Passenger facility charges reimbursement	(18,886)	-
Proceeds (advances) for loans	128,700	(128,700)
Deposits on capital assets	(126,500)	-
Capital grant contributions	180,082	-
Capital expenditures	(285,019)	(25,198)
Net cash provided (used) by capital and related financing activities	(406,247)	(153,898)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment interest	473	108,751
Redemption of investments	450,000	-
Purchase of Investments	(450,000)	(3,050,245)
Non-aeronautical real estate revenues	530,622	-
Net cash provided (used) by investing activities	531,095	(2,941,494)
Net increase (decrease) in cash and cash equivalents	(19,118)	2,239,510
Cash and cash equivalents - beginning of year	314,868	17,505,799
Cash and cash equivalents - end of year	\$ 295,750	\$ 19,745,309
Cash and cash equivalents		
Cash	\$ 295,750	\$ 302,373
Equity in cash and investment pool	-	46,900
Investments	-	18,860,843
Restricted investments	-	535,193
	\$ 295,750	\$ 19,745,309

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Statement of Cash Flows
Proprietary Funds
(continued)
For the year ended December 31, 2017

	Enterprise Fund MidAmerica St. Louis Airport	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (8,620,598)	\$ 3,532,486
Adjustments to reconcile		
Depreciation and amortization	6,091,528	13,134
Operating costs paid by operating grants	-	-
Operating costs paid by capital contributions	942,867	-
Interest expense related to direct financing leases	-	1,037,399
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	(181,059)	(296,120)
Decrease (increase) in inventory	(63,646)	-
Decrease (increase) in net investment in direct financing lease	-	649,613
Decrease (increase) in due from other funds	59,715	11,397
Decrease (increase) in deferred outflows of resources	173,735	268,588
Increase (decrease) in accounts payable	(12,302)	(4,918)
Increase (decrease) in accrued wages and related costs	26,901	(28,174)
Increase (decrease) in due to other funds	-	1,709,767
Increase (decrease) in other liabilities	-	627,886
Increase (decrease) in funds held in escrow	10,324	-
Increase (decrease) in unearned income	-	(7,370)
Increase (decrease) in net OBEB liability	(7,766)	(22,159)
Increase (decrease) in net pension liability	(788,896)	(1,219,602)
Increase (decrease) in deferred inflows of resources	695,031	1,074,514
Net cash provided (used) by operating activities	\$ (1,674,166)	\$ 7,346,441

SCHEDULE OF NON-CASH FINANCING AND INVESTING ACTIVITIES

Interest accreted on bonds and leases (net of amortization)	\$ 870,725	\$ -
Interest paid on bonds from escrowed funds	719,488	-
Capital contributions		
Capital assets	1,400,281	-
Capital payments made by the St Clair County		
Capital assets	898,231	-
Capital lease principal and interest	1,153,048	-
Bond principal and interest	1,615,000	-
Capital payments made by the Public Building Commission		
Capital assets	217,090	-
Increase (decrease) in market value of investments	(3,040)	116

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Statement of Net Position
Fiduciary Funds
December 31, 2017

	<u>Agency Funds</u>	<u>Post- Employment Health Insurance Trust</u>
ASSETS		
Cash	\$ 11,677,595	\$ -
Equity in cash and investment pool	1,255,106	936
Investments	768,286	3,375,886
Accounts receivable	6,164	-
Interest receivable	<u>1,046</u>	<u>8,890</u>
Total assets	<u>13,708,197</u>	<u>3,385,712</u>
LIABILITIES		
Accounts payable	476	-
Due to taxing districts	522,287	-
Held pending protested tax settlement	163,899	-
Funds held in escrow	<u>13,021,535</u>	<u>-</u>
Total liabilities	<u>13,708,197</u>	<u>-</u>
NET POSITION		
Restricted for Other Post-Employment Benefits (OPEB)	<u>\$ -</u>	<u>\$ 3,385,712</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, 2017

	Post- Employment Health Insurance Trust
ADDITIONS	
Contributions	
Employer	\$ 334,951
Total contributions	334,951
Investment income	
Interest, dividends and other investment earnings	100,370
Net appreciation (depreciation) in fair value of assets	81,377
Total investment earnings	181,747
Less investment expense	25,576
Net investment earnings	156,171
Total additions	491,122
DEDUCTIONS	
Benefits	-
Total deductions	-
Change in net position	491,122
Net position - restricted for Other Post-Employment Benefits (OPEB), beginning of the year	2,894,590
Net position - restricted for Other Post-Employment Benefits (OPEB), end of the year	\$ 3,385,712

See notes to the financial statements.

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financial Statements
December 31, 2017

1. Summary of significant accounting policies

Reporting Entity

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

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

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

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

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

Government-wide and fund financial statements

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

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

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

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

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

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

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

Governmental Funds

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

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

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

Proprietary Funds

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

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

Fiduciary Funds

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

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

The County reports the following major governmental funds:

General fund (as described above)

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

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

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

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

The County reports the following major proprietary funds:

MidAmerica St. Louis Airport fund (as described above)

Measurement focus, basis of accounting, and financial statement presentation

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

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

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

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

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

Estimates

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

Budgetary information

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

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

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

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

Deposits and investments

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

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

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

Receivable and payables

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

Property taxes attach an enforceable lien on property as of January 1 and are levied one year in arrears. Accordingly, property tax revenues are accrued. However, property taxes are recognized as revenue when collected based on the intent of the County to use the revenue to finance operations of the following year. The 2016 property taxes were payable on June 29, 2017 and August 29, 2017 and recognized as revenue in 2017.

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

Inventories and prepaid items

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

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

Capital assets

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

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

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

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

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

Deferred Outflows/Inflows of Resources

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

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

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

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

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

Bond issuance costs and capitalized interest

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

Compensated absences

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

Pensions

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

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

Long-term obligations

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

Net position

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

Impact of recently issued accounting principles

Recently issued and adopted accounting pronouncement

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. The County has implemented this reporting for the year ended December 31, 2017. The impact of the change is discussed in Prior Period Adjustments in Footnote #7.

In January 2016, GASB Statement No. 80, Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14 was issued. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2017. As of the year ended December 31, 2017, the County has no component units applicable to this statement.

In March 2016, GASB Statement No. 81, Irrevocable Split-Interest Agreements was issued. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2017. As of the year ended December 31, 2017, the County has no split-interest agreements applicable to this statement.

In March 2016, GASB Statement No. 82, Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73 was issued. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2017, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions will take effect for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. There was no impact of this change.

Recently issued accounting pronouncements

In November 2016, GASB Statement No. 83, Certain Asset Retirement Obligations was issued. This Statement addresses the accounting and financial reporting for certain asset retirement obligations. The requirements of this Statement will take effect for years beginning after June 15, 2018. As of the year ended December 31, 2017, the County has no asset retirement obligations.

In January 2017, GASB Statement No. 84, Fiduciary Activities was issued. This Statement addresses the accounting and financial reporting for certain fiduciary activities. The requirements of this Statement will take effect for years beginning after December 15, 2018. Management is currently evaluating the impact of the adoption of this Statement on the County's financial statements.

In March 2017, GASB Statement No. 85, Omnibus 2017 was issued. This Statement addresses the various issues that have been identified during the implementation and application of recent GASB pronouncements. The requirements of this Statement will take effect for years beginning after June 15, 2017. Management is currently evaluating the impact of the adoption of this Statement on the County's financial statements.

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

In May 2017, GASB Statement No. 86, Certain Debt Extinguishment Issues was issued. This Statement addresses the accounting and reporting for in-substance defeasance of debt. The requirements of this Statement will take effect for years beginning after June 15, 2017. Management does not believe that there will be an impact of the adoption of this Statement on the County's financial statements.

In June 2017, GASB Statement No. 87, Leases was issued. This Statement addresses the accounting and reporting for leases. The requirements of this Statement will take effect for years beginning after December 15, 2019. Management is currently evaluating the impact of the adoption of this Statement on the County's financial statements.

2. Cash deposits and investments

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

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

	Government- wide	Fiduciary Funds	Total
Cash	\$ 2,116,977	\$ 11,677,595	\$ 13,794,572
Investments	30,508,010	4,144,172	34,652,182
Pooled cash and investments	116,735,831	1,256,042	117,991,873
	<u>\$149,360,818</u>	<u>\$ 17,077,809</u>	<u>\$166,438,627</u>

Of the total cash and investments, cash deposits are \$38,418,200; investments account for \$127,680,945 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	\$ 9,700,272	0 - 6 months
Certificates of deposit - non-negotiable	13,018,939	7 - 12 months
Certificates of deposit - non-negotiable	354,997	1 - 3 years
CDARS	7,073,828	0 - 6 months
CDARS	2,355,850	7 - 12 months
Insured Cash Sweep (ICS)	15,618,053	current
Money markets	15,940,796	current
Investments held by brokers/dealers:		
Certificates of deposit – negotiable	16,432,384	0 - 6 months
Certificates of deposit – negotiable	26,080,619	7 - 12 months
Certificates of deposit – negotiable	1,953,000	1 - 3 years
Money Market-government funds	21,948,227	current
U.S. Government security mutual fund	4,249,751	current
Investments in Illinois Funds Investment Pool	3,779,931	current
	<u>138,506,647</u>	
Component Unit-Flood Prevention District	14,201,588	
Primary Government	<u>\$124,305,059</u>	

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

Restricted investments - OPEB

Investments held by brokers/dealers:

Cash	\$	126	
U.S. Government obligations		150,019	0 - 6 months
U.S. Government obligations		448,301	7 - 12 months
U.S. Government obligations		684,739	1 - 3 years
U.S. Government obligations		390,019	3+ years
U.S. Treasury money market		365,393	current
Certificates of Deposit		99,504	1 - 3 years
Certificates of Deposit		100,432	3+ years
Equity securities-international		38,385	current
Mutual funds-international		402,643	current
Equity securities		420,839	current
Mutual funds		275,486	current
		<u>\$ 3,375,886</u>	

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

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

Concentration of credit risk: The County places no limit on the amount invested in any one issuer other than those imposed by state statutes. Other than investments in securities and the Illinois Funds Investment Pool, the County's more significant investments in certificates of deposit, insured sweep accounts (ICS), and money markets were with the following institutions: \$69,122,409 in Morgan Stanley, \$31,942,646 in Bank of Edwardsville, \$11,007,503 in Bank of Belleville, \$9,033,299 in Associated Bank, and \$10,493,808 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, 2017, \$2,459,028 of the County's bank balances were uninsured or uncollateralized by specific securities or letters of credit.

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

3. Receivables

Accounts receivable consists of the following:

Governmental Activities		
Sales, income, motor fuel and other tax revenue	\$	4,625,554
Service and fee revenues		2,462,889
Other		567,378
Grant and intergovernmental revenues		8,530,041
Related parties		35,211
		<u>\$ 16,221,073</u>
Business-type Activities		
Trade		222,788
Grant and intergovernmental revenues		749,610
Other		59,828
		<u>\$ 1,032,226</u>

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

The Airport uses the direct write-off method for uncollectible amounts. During 2017, there were no write-offs.

Property taxes are collected one year in arrears. Although levied in 2017, property taxes will be collected in mid-2018. 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	\$ 38,852,769
Less allowance for uncollectible amounts	271,927
Net taxes receivables	<u>\$ 38,580,842</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, 2017 was \$21,066,208 with a carrying value of \$16,035,624. Depreciation for 2017 was \$650,623. Rentals included in operations for 2017 were \$675,282. The future minimum rentals to be received under these leases as of December 31, 2017 are as follows:

Year	Lease
2018	\$ 675,282
2019	660,171
2020	548,812
2021	288,002
2022	288,452
2023-2027	1,443,010
2028-2033	1,446,010
2034-2038	1,026,233
2038-2040	23,100
Rental income under non-cancellable operating leases	<u>\$ 6,399,072</u>

4. Capital assets

Capital asset activity for 2017 was as follows:

Governmental Activities

	January 1, 2017	Additions	Deletions	December 31, 2017
Assets not being depreciated:				
Land	\$ 11,811,527	\$ -	\$ -	\$ 11,811,527
Construction in progress	932,451	407,950	219,082	1,121,319
Projects in progress	2,033,309	48,464	2,033,308	48,465
Infrastructure				-
Construction in progress	11,662,807	16,354,581	13,598,191	14,419,197
Land	6,693,908	267,342	-	6,961,250
	<u>33,134,002</u>	<u>17,078,337</u>	<u>15,850,581</u>	<u>34,361,758</u>
Assets being depreciated:				
Buildings and improvements	78,899,306	549,332	-	79,448,638
Equipment, furniture, and vehicles	37,655,845	3,028,094	776,387	39,907,552
Infrastructure-roads and bridges	115,715,776	13,598,191	-	129,313,967
	<u>232,270,927</u>	<u>17,175,617</u>	<u>776,387</u>	<u>248,670,157</u>
Total capital assets	<u>265,404,929</u>	<u>34,253,954</u>	<u>16,626,968</u>	<u>283,031,915</u>
Less accumulated depreciation for:				
Buildings and improvements	49,125,726	2,031,645	-	51,157,371
Equipment, furniture, and vehicles	26,696,621	2,211,093	513,541	28,394,173
Infrastructure-roads and bridges	48,644,840	3,958,328	-	52,603,168
	<u>124,467,187</u>	<u>8,201,066</u>	<u>513,541</u>	<u>132,154,712</u>
Government Activities capital assets, net	<u>\$140,937,742</u>	<u>\$ 26,052,888</u>	<u>\$ 16,113,427</u>	<u>\$ 150,877,203</u>

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

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

General government	\$ 842,316
Public safety	2,477,913
Judicial	557,214
Public health	190,454
Transportation	4,133,169
	\$ 8,201,066

Business-type Activities - MidAmerica St Louis Airport

	January 1, 2017	Additions	Deletions	December 31, 2017
Assets not being depreciated:				
Land	\$ 42,435,045	\$ -	\$ -	\$ 42,435,045
Construction in progress	437,329	2,709,616	1,035,604	2,111,341
	42,872,374	2,709,616	1,035,604	44,546,386
Assets being depreciated:				
Airfields	90,205,216	257,292	-	90,462,508
Land improvements	763,266	-	-	763,266
Ramps and aprons	20,866,812	-	-	20,866,812
Passenger terminal	18,317,773	43,696	-	18,361,469
Cargo terminal	9,697,411	-	-	9,697,411
Tenant facilities	11,017,294	-	-	11,017,294
Utilities	9,187,298	-	-	9,187,298
Roads and parking	7,410,315	750,414	-	8,160,729
Support facilities	5,513,676	14,058	-	5,527,734
Equipment, furniture, and vehicles	15,413,965	612,255	13,475	16,012,745
	188,393,026	1,677,715	13,475	190,057,266
Total capital assets	231,265,400	4,387,331	1,049,079	234,603,652
Less accumulated depreciation	97,044,168	6,091,528	13,475	103,122,221
Government Activities capital assets, net	\$134,221,232	\$ (1,704,197)	\$ 1,035,604	\$ 131,481,431

Depreciation charged to operations was \$6,091,528 for 2017. Construction deposits of \$14,577 being held at the state and an equipment purchase deposit of \$126,500 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.

The composition of interfund balances at December 31, 2017 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Non-major governmental funds	\$ 2,047,927
General Fund	MidAmerica St Louis Airport	4,160,131
General Fund	Internal Service funds	1,817,911
Transportation Fund	General Fund	115,666
Transportation Fund	Non-major governmental funds	2,294
Non-major governmental funds	Non-major governmental funds	1,154,072
Non-major governmental funds	Internal Service funds	464
Non-major governmental funds	General Fund	3,352,592
		12,651,057
Internal Service funds	General Fund	11,405
		\$ 12,662,462

Advances to other funds, made in prior and current years and where the timing of repayment is not determinable, have been eliminated and not reported on the face of the financial statements. Included in the advances by the Public Building Commission are funds advanced in 2017 for the extension of the parking facilities at the Airport in the amount of \$276,805. These current year advances are recorded as transfers.

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

The amounts that have been eliminated are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	MidAmerica St Louis Airport	\$ 55,458,081
Public Building Commission	MidAmerica St Louis Airport	\$ 12,816,918

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

Transfer-out	Transfer-in	Governmental Funds	Business-type Funds
General Fund	MidAmerica St Louis Airport	\$ -	\$ 3,184,525
General Fund	Non-major governmental funds	388,022	-
Transportation Fund	Debt Service Fund	1,974,406	-
Lease Payable Fund	MidAmerica St Louis Airport	-	1,153,048
Debt Service Fund	MidAmerica St Louis Airport	-	3,787,637
Non-major governmental funds	General Fund	128,266	-
Non-major governmental funds	Non-major governmental funds	27,202	-
Non-major governmental funds	MidAmerica St Louis Airport	-	186,774
		<u>\$ 2,517,896</u>	<u>\$ 8,311,984</u>

In the governmental funds financial statements, total transfers-out exceeded transfers-in by \$8,311,984 because of transfers made to the Enterprise fund. These transfers included cash transfers and expenses of the Enterprise fund paid by governmental funds on its behalf. Cash transfers of \$1,530,200 and certain capital expenditures of \$739,203 are expected to be repaid in the long-term future and are considered by the County as part of the "Advances to other funds" previously discussed.

6. Debt and Lease Obligations

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

Capital lease obligations

Governmental Activities

The County entered into a capital lease agreement in 2015 for the purchase of certain 911 radio equipment and systems at an interest rate of 3.55% to upgrade the 911 Emergency Telephone System. Costs included in capitalized equipment is \$2,627,851. This lease is deemed to be a general obligation of the County and payable from the Emergency Telephone Fund. Future minimum lease payments at December 31, 2017 are as follows:

Year	Lease
2018	\$ 394,760
2019	394,760
2020	394,760
2021	394,760
2022	394,760
2023-2025	1,579,039
	<u>3,552,839</u>
Less amount representing interest and amortization	466,245
Obligation under capital lease	<u>\$ 3,086,594</u>

As part of the lease agreement, the County entered into a 9-year maintenance and support agreement payable annually over the term of the agreement of which \$4,248,908 remains. Commitments of approximately \$595,000 for additional equipment and \$753,000 for the following 3 years for hosting services are payable from bond proceeds. Interest charged to operations in 2017 for the lease was \$105,817.

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

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

Governmental Activities	\$ 11,023,226
Business-type Activities	10,981,137
	\$ 22,004,363

Limited Obligation Revenue bonds

Government Activities

In 2013 the County issued \$28,375,000 in Highway Revenue Bonds, Series 2013A to advance refund outstanding bonds and provide funds to construct, maintain, and improve certain County highways, roads and bridges. The advance refunding met the requirements of an in-substance debt defeasance and the bond liability for those bonds has been removed from the balance sheet and will be paid by the escrow agent. At December 31, 2017, there was no outstanding balance.

These bonds are limited obligations of the County with a claim for payment solely from Highway Revenues (2017 collections: Motor Fuel Tax \$3,875,552, County Highway Tax \$2,398,746, and Matching Tax \$1,250,024). 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 \$1,974,406. Interest is payable each January 1 and July 1 while principal is due each January 1.

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

Year		Principal	Interest	Total
2018	5.00%	\$ -	\$ 556,703	\$ 556,703
2019	5.00%	865,000	1,091,781	1,956,781
2020	4.00%	905,000	1,052,056	1,957,056
2021	4.00%	945,000	1,015,056	1,960,056
2022	4.00%	980,000	976,556	1,956,556
2023-2027	3.625%-4.00%	5,520,000	4,257,709	9,777,709
2028-2032	4.00%-4.465%	6,700,000	3,040,682	9,740,682
2033-2037	4.464%-4.470%	8,315,000	1,383,751	9,698,751
2038	4.47%	1,890,000	42,256	1,932,256
Outstanding bonds		26,120,000	\$ 13,416,550	\$ 39,536,550
Unamortized premium		546,037		
Carrying value		\$ 26,666,037		

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

Payments due January 1, 2018 were paid at December 31, 2017 and not included above. Total interest, net of amortization of premiums and refinancing losses, charged to operations for the Transportation functions was \$1,181,310.

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

General obligation debt

Revenue bonds

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

Purpose	Interest rates	Amount
Governmental Activities		
Buildings	3.00-3.625%	\$ 1,670,000
Buildings	5.00%	4,935,000
Buildings	5.875%	4,245,000
Business-type Activities		
Airport improvements	3.40-5.50%	10,725,000
		<u>\$ 21,575,000</u>

The Commission's revenue bonds are general lease obligations of the County and the County Board has resolved to levy taxes to pay annual rents. Future minimum lease payments as of December 31, 2017 for Governmental Activities were as follows:

Year	Total Lease	Operations & Maintenance
2018	\$ 11,561,666	\$ 10,990,254
2019	11,819,720	11,248,907
2020	12,076,316	11,506,103
2021	13,050,298	11,776,410
2022	12,572,171	12,044,308
2023-2027	52,454,157	49,019,140
2028-2032	52,713,414	49,000,000
2033-2037	57,648,903	49,000,000
2038-2041	39,574,125	39,200,000
	<u>263,470,770</u>	<u>\$243,785,122</u>
Less amount representing executory cost (i.e., maintenance, etc.)	243,785,122	
Less: Amount representing interest and amortization	8,662,422	
Obligation under capital lease	<u>\$ 11,023,226</u>	

Rent payments under these leases were \$10,652,713 recorded in the Lease Payable Fund, \$75,555 included in the Emergency Telephone expenses, \$15,665 in the Veterans Assistance expenses, \$39,094 in the General Fund expenses, \$10,800 in grant funds, and \$246,388 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 \$282,610 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 underlying debt service for these leases being paid by the Public Building Commission are as follows.

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

Year	Principal	Interest	Total
2018	\$ 20,000	\$ 55,569	\$ 75,569
2019	20,000	54,969	74,969
2020	20,000	54,368	74,368
2021	735,000	53,769	788,769
2022	-	31,719	31,719
2023-2025	875,000	95,156	970,156
Outstanding bonds	1,670,000	\$ 345,550	\$ 2,015,550
Unamortized discount	(3,695)		
Carrying value	<u>\$ 1,666,305</u>		

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

Interest and amortization charged to operation on the 2013 bonds was \$52,955. The unamortized deferred charges were \$22,531 at December 31, 2017.

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

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

Year	Principal	Interest	Total
2018	\$ -	\$ 246,750	\$ 246,750
2019	-	246,750	246,750
2020	-	246,750	246,750
2021	-	246,750	246,750
2022	-	246,750	246,750
2023-2027	-	1,233,750	1,233,750
2028-2032	-	1,233,750	1,233,750
2033-2037	5.00% 2,900,000	1,023,250	3,923,250
2038	5.00% 2,035,000	18,250	2,053,250
Outstanding bonds	4,935,000	<u>\$ 4,742,750</u>	<u>\$ 9,677,750</u>
Unamortized premium	149,047		
Carrying value	<u>\$ 5,084,047</u>		

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

Year	Principal	Interest	Total
2018	\$ -	\$ 249,394	\$ 249,394
2019	-	249,394	249,394
2020	-	249,394	249,394
2021	-	249,394	249,394
2022	-	249,394	249,394
2023-2027	-	1,246,969	1,246,969
2028-2032	5.875% 1,270,000	1,246,968	2,516,968
2033-2035	5.875% 2,975,000	282,293	3,257,293
Outstanding bonds	<u>\$ 4,245,000</u>	<u>\$ 4,023,200</u>	<u>\$ 8,268,200</u>

Interest and amortization charged to operation on the 2011A and B bonds was \$448,802. Unamortized deferred charges were \$316,706 at December 31, 2017.

The Series 2011C revenue bonds associated with the Business-type Activities are also being financed through a lease agreement with the County. The 2017 lease payment of \$1,153,048 was paid by the Lease Payable and considered a capital contribution to the Enterprise Fund. Future minimum lease payments as of December 31, 2017 for Business-type Activities were as follows:

Year	Total Lease
2018	\$ 1,152,708
2019	1,148,941
2020	1,151,719
2021	442,298
2022	1,190,276
2023-2027	5,168,150
2028-2031	4,926,208
Obligation under capital lease	15,180,300
Less: Amount representing interest and amortization	4,199,163
Obligation under capital lease	<u>\$ 10,981,137</u>

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

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

Year		Principal	Interest	Total
2018	3.40%	\$ 645,000	\$ 518,672	\$ 1,163,672
2019	3.85%	665,000	496,742	1,161,742
2020	4.15%	695,000	471,140	1,166,140
2021		-	442,298	442,298
2022	4.45%	765,000	442,298	1,207,298
2023-2027	4.60%-5.00%	3,525,000	1,728,625	5,253,625
2028-2031	5.00%-5.50%	4,430,000	614,860	5,044,860
Outstanding bonds		10,725,000	<u>\$ 4,714,635</u>	<u>\$ 15,439,635</u>
Unamortized premium			1,762	
Carrying value		<u>\$ 10,726,762</u>		

Interest and amortization charged to operation on the 2011C was \$535,644.

Debt certificates

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

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

Year		Principal	Interest	Total
2018	2.80%	\$ 295,000	\$ 181,167	\$ 476,167
2019	3.30%	305,000	172,908	477,908
2020	3.75%	315,000	162,843	477,843
2021	4.10%	325,000	151,030	476,030
2022	4.35%	340,000	137,705	477,705
2023-2027	4.55-5.40%	1,945,000	435,035	2,380,035
2028	5.40%	450,000	24,300	474,300
		<u>\$ 3,975,000</u>	<u>\$ 1,264,988</u>	<u>\$ 5,239,988</u>

The Emergency Telephone System Fund is expected to make all of the debt service payments. Interest charged to operations in 2017 was \$187,838.

General obligation contracts

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

Year		Principal	Interest	Total
2018	3.94%	\$ 55,687	\$ 4,478	\$ 60,165
2019	3.94%	57,883	2,282	60,165
		<u>\$ 113,570</u>	<u>\$ 6,760</u>	<u>\$ 120,330</u>

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

Year		Principal	Interest	Total
2018	3.95%	\$ 42,610	\$ 5,825	\$ 48,435
2019	3.95%	44,293	4,142	48,435
2020	3.95%	60,567	2,392	62,959
		<u>\$ 147,470</u>	<u>\$ 12,359</u>	<u>\$ 159,829</u>

Total interest charged to operations in 2017 for the Transportation functions was \$8,911.

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

Business-type Activities

In 2015, the County issued \$37,005,000 in General Obligation Refunding Bonds (Alternative Revenue Source) to advance refund certain outstanding 1999 principal and accreted interest and certain 2009 Series bonds. The advance refunding met the requirements of an in-substance debt defeasance and was done as an advance refunding. On December 31, 2017, \$32,505,000 of the 2009 defeased bonds were outstanding.

Interest is payable each April 1 and October 1 while principal is due October 1. The current interest bonds that were not defeased in 2017 are payable as follows:

Year		Principal	Interest	Total
2018		\$ -	\$ 2,172,638	\$ 2,172,638
2019		-	2,172,637	2,172,637
2020		-	2,172,638	2,172,638
2021		-	2,172,638	2,172,638
2022		-	2,172,638	2,172,638
2023-2027		-	10,863,187	10,863,187
2028-2032	5.375%-5.75%	5,095,000	10,596,887	15,691,887
2033-2037	5.75%-6.00%	10,635,000	8,289,837	18,924,837
2038-2042	6.00%	14,180,000	4,731,900	18,911,900
2043-2044	6.00%	6,935,000	630,300	7,565,300
Outstanding bonds		<u>36,845,000</u>	<u>\$ 45,975,300</u>	<u>\$ 82,820,300</u>
Unamortized discount		(857,076)		
Carrying value		<u>\$ 35,987,924</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 but were fully retired in 2017.

The Series 2009 bonds (General Obligation Refunding Bonds-Alternative Revenue Source) are current interest bonds. The bonds and interest are payable from certain pledged revenues, escrow deposits, and real estate taxes, if necessary. Pledged revenues include grant revenues, Passenger Facility Charges, and net Airport revenues derived from the operation of the Airport. The balance of Passenger Facility Charges held as restricted assets at December 31, 2017 was \$1,014,859. Funds were placed in escrow for the 2017 debt service payments as part of the 2009 transaction and required by the alternative debt refinancing.

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
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	5.00%	1,025,000	588,363	1,613,363
2022	5.00%	1,075,000	537,113	1,612,113
2023-2027	5.25%	6,285,000	1,791,013	8,076,013
2028-2029	5.00%-5.25%	2,995,000	230,150	3,225,150
Outstanding bonds		<u>14,190,000</u>	<u>\$ 5,177,801</u>	<u>\$ 19,367,801</u>
Unamortized premium		177,789		
Carrying value		<u>\$ 14,367,789</u>		

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

Debt service for these bonds was paid from the County Debt Service Fund in 2017 and is recorded as a transfer to the Airport for financial reporting purposes. The unamortized deferred charge on refinancing was \$8,456,602 at December 31, 2017. Total interest, net of amortization of premiums and deferred refinancing charges, charged to operations for the general obligation bond issues amounted to \$3,762,663.

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

Debt Certificates

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

Year		Principal	Interest	Total
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	3.50%	175,000	114,475	289,475
2022	3.50%	185,000	108,350	293,350
2023-2027	3.50%-4.25%	1,000,000	427,986	1,427,986
2028-2032	4.75%	1,250,000	182,875	1,432,875
Outstanding bonds		3,100,000	\$ 1,211,936	\$ 4,311,936
Unamortized discount		(1,563)		
Carrying value		\$ 3,098,437		

Interest charged to Airport operations for 2017 was \$134,813.

Changes in long-term liabilities

The following is a summary of long-term obligation transactions during 2017.

Governmental Activities

	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year
Limited obligation revenue bonds	\$ 27,531,057	\$ -	\$ 865,020	\$ 26,666,037	\$ -
General obligation revenue bonds	11,022,486	-	27,134	10,995,352	20,000
Capital leases - equipment	2,980,776	105,818	-	3,086,594	394,760
Debt certificates	4,265,000	-	290,000	3,975,000	295,000
General obligation contracts	167,145	195,905	102,010	261,040	98,297
Insurance claims	1,855,896	-	110,896	1,745,000	-
	<u>\$ 47,822,360</u>	<u>\$ 301,723</u>	<u>\$ 1,395,060</u>	<u>\$ 46,729,023</u>	<u>\$ 808,057</u>

For Governmental Activities, the combined interest cost was \$1,985,626. Interest of \$1,190,221 is charged directly to Transportation functions while \$293,655 is charged directly to Public Safety, and the remaining is unallocated.

Existing Highway debt issues are currently subject to federal arbitrage regulations at December 31, 2017 however no liability exists.

Business-type activities

	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year
General obligation bonds	\$ 51,889,721	\$ 64,863	\$ 1,598,871	\$ 50,355,713	\$ 895,000
General obligation revenue bonds	11,351,979	-	625,217	10,726,762	645,000
Debt certificates	3,248,249	-	149,812	3,098,437	155,000
	<u>\$ 66,489,949</u>	<u>\$ 64,863</u>	<u>\$ 2,373,900</u>	<u>\$ 64,180,912</u>	<u>\$ 1,695,000</u>

Total Airport interest and amortization expensed aggregated to \$4,433,120.

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

Debt service requirement are as follows:

Year	Governmental Activities		Business-type Activities		Total
	Debt	Leases	Debt	Leases	
2018	\$ 1,664,748	\$ 394,760	\$ 5,237,423	\$ -	\$ 7,296,931
2019	3,065,966	394,760	5,239,793	-	8,700,519
2020	3,005,411	394,760	5,241,665	-	8,641,836
2021	3,720,999	394,760	4,517,772	-	8,633,531
2022	2,962,124	394,760	5,285,398	-	8,642,282
2023-2027	15,608,619	1,579,039	25,620,811	-	42,808,469
2028-2032	13,965,701	-	25,394,773	-	39,360,474
2033-2037	18,549,294	-	18,924,837	-	37,474,131
2038-2042	2,315,506	-	18,911,900	-	21,227,406
2043-2044	-	-	7,565,300	-	7,565,300
	<u>\$ 64,858,368</u>	<u>\$ 3,552,839</u>	<u>\$121,939,672</u>	<u>\$ -</u>	<u>\$ 190,350,879</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 – 2017 tax year	<u>\$ 3,948,129,322</u>
Debt limit	\$ 113,508,718
Total debt authorized and issued:	
Deemed general obligations direct bonded indebtedness	-
Other direct general obligation	60,478,840
Legal debt margin	<u>\$ 53,029,878</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 \$97,040,561 while \$7,471,090 for governmental activities and \$11,446,241 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 75, Accounting and Financial Reporting for Postemployment Benefits (OPEB) Other Than Pensions. This statement requires the County to change the accounting for the OPEB costs related to the County's retiree and their beneficiaries who elect to participate in the post-employee healthcare program. For defined post-employment healthcare benefit plans, 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 supplementary information that will be presented by the OPEB plan that are within its scope. In addition, the County will also be recognizing a net OPEB liability (asset), deferred outflows of resources, and deferred inflows of resources. The aforementioned changes necessitated prior period adjustments of \$32,986 and \$94,124 in the Fund Financial Statements for the Enterprise Fund and the Internal Service Funds. Changes on the Government-wide financial statements are as follows:

	Governmental Activities	Business-type Activities	Component Unit-Grants Dept
Beginning net position as previously reported	\$227,294,549	\$ 74,935,392	\$ 1,734,932
Prior period adjustment	(1,986,700)	(32,986)	(81,309)
Beginning net position as adjusted	<u>\$225,307,849</u>	<u>\$ 74,902,406</u>	<u>\$ 1,653,623</u>

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

8. Fund Balances

Fund balances are classified as follows:

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

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

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

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

Unassigned—All other spendable amounts.

As of December 31, 2017, fund balances are composed of the following:

	(in thousands)					
	General Fund	Transportation Fund	Lease Payable Fund	Debt Service Fund	Non-Major Fund	Total Governmental Funds
<i>Non-spendable</i>						
Inventory	\$ 96	\$ 207	\$ -	\$ -	\$ 7	\$ 310
Prepaid	505	-	164	-	21	690
<i>Restricted</i>						
Tort	335	-	-	-	1,407	1,742
Public safety	151	-	-	-	7,789	7,940
Transportation	-	37,475	-	-	-	37,475
Leases	-	-	425	-	-	425
Debt service	-	-	-	3,724	-	3,724
Public health	-	-	-	-	6,069	6,069
Retirement	-	-	-	-	9,123	9,123
Court services	-	-	-	-	5,919	5,919
Parks & recreation	-	-	-	-	6,015	6,015
Other	-	-	-	-	4,880	4,880
<i>Committed</i>						
Capital Projects	4,328	-	-	-	-	4,328
Automation	455	-	-	-	-	455
Judicial	86	-	-	-	-	86
Economic Development	157	-	-	-	-	157
Debt service	-	-	-	3,787	-	3,787
<i>Assigned</i>						
Working cash	1,222	-	-	-	-	1,222
Automation	93	-	-	-	-	93
Economic Development	307	-	-	-	-	307
Debt service	-	-	-	5,511	-	5,511
<i>Unassigned</i>	23,064	-	-	-	(1,928)	21,136
	<u>\$ 30,799</u>	<u>\$ 37,682</u>	<u>\$ 589</u>	<u>\$ 13,022</u>	<u>\$ 39,302</u>	<u>\$ 121,394</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 of \$883,740 and \$1,044,792, respectively, at December 31, 2017. The funds' deficits will be recovered at a later date.

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

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 2017 for tort purposes were \$3,393,060.

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

Based upon specific circumstances pertaining to certain departments or coverage, the County has elected to fully insure the Intergovernmental Grants Department's worker's compensation. This policy provides first dollar coverage with nominal deductibles. The self-funded part of the program consists of all remaining property (real, personal, contractor's equipment and EDP exposures) and liability as well as the worker's compensation. The property coverage is written on a replacement cost basis with a total insurable value of \$176,132,060 exclusive of the airport, and \$100,000 self-funded retention amounts per loss. The property coverage includes flood, earthquake and mine subsidence of \$10 million (\$250 million program aggregate) with self-insured retention of the greater of \$100,000 or 5% of the damaged location for earthquake and \$100,000 for flood.

The premises, products, law enforcement, dispatchers, professional, automobile, public officials, and health professional liabilities (excluding doctors and dentists) are included as part of the general liability coverage. The general liability has a per occurrence limit of \$1,000,000 with a general aggregate liability limit of \$3,000,000. The general liability is subject to a \$250,000 self-funded retention per occurrence. Public Officials liability is limited to \$1,000,000 while physical and sexual abuse coverage is limited to \$2,000,000 with \$250,000 retention 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 \$7,291,983 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 \$1,000,000 for Employee Dishonesty, Money and Securities (both inside/outside) and Depositors Forgery. All coverages are subject to a \$100,000 deductible.

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

For the MidAmerica St. Louis Airport operations, the County is insuring specific coverages: contractors' equipment, airport owners and operators general liability, airport public officials liability, pollution liability, property and automobiles with varying deductibles. The airport owners and operators general liability policy includes products, completed operations, war, hangar keepers, hi-jacking and other aviation liability coverage with a \$100 million aggregate. It also provides an excess \$50 million limit for auto and employer 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, including business interruption, with an annual aggregate of \$20 million. Deductible for each occurrence is \$100,000 and \$300,000 in the aggregate.

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

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

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

The insurance premiums and fees for Airport coverage are paid from the Tort Fund. Airport related insurance costs including premiums, legal fees and deductible payments have been recorded as transfers by the Tort Fund and charged to airport operations for the year ended December 31, 2017 in the amount of \$536,528.

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, 2017, the County estimates settlement to be \$2,727,466 of which \$1,745,000 is recorded in long-term liabilities in the government-wide financial statements and are payable from Tort funds included with the General Fund accounts. Changes in the balances of claims liabilities were as follows:

Year	Claims Liability January 1	Claims and Changes in Estimates	Claim Payments	Claims Liability December 31
2017	\$ 2,966,755	\$ 424,454	\$ 663,743	\$ 2,727,466
2016	3,062,884	800,191	896,320	2,966,755
2015	2,468,105	1,980,913	1,386,134	3,062,884

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 \$13,297,206 for the County with \$250,000 per individual and life insurance benefits are covered by third party insurance in conjunction with this program. There have been no significant decreases in the stop loss coverage in the prior 3 years. The employee medical plan is funded with the County contributing to the Employee Medical Trust Fund, an Internal Service Fund, the cost for its employees with a minimal contribution by the employee. The net cost is charged to the various funds of the County based upon a third party actuarial determination. The employee, through payroll deduction, pays the employees' portion of dependent coverage.

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

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

Year	Claims Liability January 1	Claims and Changes in Estimates	Claim Payments	Claims Liability December 31
2017	\$ 1,125,827	\$ 12,028,184	\$ 11,400,298	\$ 1,753,713
2016	1,366,874	11,444,632	11,685,679	1,125,827
2015	936,888	12,316,939	11,886,953	1,366,874

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.

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

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, 2017, the following employees were covered by the benefit terms:

	Regular	SLEP	ECO
Retirees and Beneficiaries currently receiving benefits	713	104	39
Inactive Plan Members entitled to but not yet receiving benefits	419	41	14
Active Plan Members	644	120	5
	<u>1776</u>	<u>265</u>	<u>58</u>

Contributions

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

	Regular	SLEP	ECO
Annual 2017 County Contribution rate	10.68%	21.81%	54.63%
2017 Contributions	\$ 3,120,553	\$ 2,006,273	\$ 315,487

Net Pension Liability

The County's net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date and includes the Intergovernmental Grants Department.

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2017:

- The **Actuarial Cost Method** used was Entry Age Normal
- The **Asset Valuation Method** used was Market Value.
- The **Inflation Rate** was assumed to be 2.5%
- **Salary Increases** were expected to be 3.39% to 14.25%.
- The **Investment Rate of Return** was assumed to be 7.50% for Regular, 7.50% for SLEP, and 7.50% for ECO.
- **Projected Retirement Age** was from the experience-based table of rates, specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study from years 2014 to 2016.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives. For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The long-term expected **Rate of Return** on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of ten year geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-term Expected Real Rate of Return
Domestic Equity	37%	6.85%
International Equity	18%	6.75%
Fixed Income	28%	3.00%
Real Estate	9%	5.75%
Alternative Investments	7%	
Private Equity		7.35%
Hedge funds		5.05%
Commodities		2.65%
Cash Equivalents	1%	2.25%
Total	100%	

There were no benefit changes during the year.

Single Discount Rate

A Single Discount Rate of 7.50% for Regular, SLEP, and ECO was used to measure the total pension liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.31%, and the resulting single discount rate is 7.50%.

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

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, 2016	\$199,243,844	\$180,676,071	\$ 18,567,773
Changes for the year:			
Service Cost	3,059,796	-	3,059,796
Interest on the Total Pension Liability	14,693,167	-	14,693,167
Changes on Benefit Terms	-	-	-
Differences Between Expected & Actual Experience of the Total Pension Liability	(385,097)	-	(385,097)
Changes of Assumptions	(6,248,889)	-	(6,248,889)
Contributions – Employer	-	3,120,553	(3,120,553)
Contributions – Employees	-	1,359,953	(1,359,953)
Net Investment Income	-	31,814,399	(31,814,399)
Benefit Payments, including Refunds Of Employee Contributions	(9,729,695)	(9,729,695)	-
Other (Net Transfer)	-	(3,201,115)	3,201,115
Net Changes	1,389,282	23,364,095	(21,974,813)
Balances at December 31, 2017	\$200,633,126	\$204,040,166	\$ (3,407,040)

SLEP Plan	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A-B)
Balances at December 31, 2016	\$ 80,841,791	\$ 66,932,948	\$ 13,908,843
Changes for the year:			
Service Cost	1,660,075	-	1,660,075
Interest on the Total Pension Liability	5,990,452	-	5,990,452
Changes on Benefit Terms	-	-	-
Differences Between Expected & Actual Experience of the Total Pension Liability	1,360,308	-	1,360,308
Changes of Assumptions	(778,878)	-	(778,878)
Contributions – Employer	-	2,006,273	(2,006,273)
Contributions – Employees	-	708,326	(708,326)
Net Investment Income	-	12,258,896	(12,258,896)
Benefit Payments, including Refunds Of Employee Contributions	(3,598,277)	(3,598,277)	-
Other (Net Transfer)	-	(777,466)	777,466
Net Changes	4,633,680	10,597,752	(5,964,072)
Balances at December 31, 2017	\$ 85,475,471	\$ 77,530,700	\$ 7,944,771

ECO Plan	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A-B)
Balances at December 31, 2016	\$ 18,055,893	\$ 15,530,131	\$ 2,525,762
Changes for the year:			
Service Cost	170,547	-	170,547
Interest on the Total Pension Liability	1,317,064	-	1,317,064
Changes on Benefit Terms	-	-	-
Differences Between Expected & Actual Experience of the Total Pension Liability	(516,796)	-	(516,796)
Changes of Assumptions	(319,561)	-	(319,561)
Contributions – Employer	-	315,487	(315,487)
Contributions – Employees	-	55,330	(55,330)
Net Investment Income	-	2,820,427	(2,820,427)
Benefit Payments, including Refunds Of Employee Contributions	(1,160,635)	(1,160,635)	-
Other (Net Transfer)	-	(1,110,543)	1,110,543
Net Changes	(509,381)	920,066	(1,429,447)
Balances at December 31, 2017	\$ 17,546,512	\$ 16,450,197	\$ 1,096,315

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

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

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50% for Regular, SLEP, and ECO%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

Regular Plan	1% Lower 6.50%	Current Discount 7.50%	1% Higher 8.50%
Net Pension Liability(Asset)	<u>\$ 20,131,497</u>	<u>\$ (3,407,040)</u>	<u>\$ (22,824,825)</u>
SLEP Plan	1% Lower 6.50%	Current Discount 7.50%	1% Higher 8.50%
Net Pension Liability(Asset)	<u>\$ 19,436,976</u>	<u>\$ 7,944,771</u>	<u>\$ (1,464,413)</u>
ECO Plan	1% Lower 6.50%	Current Discount 7.50%	1% Higher 8.50%
Net Pension Liability(Asset)	<u>\$ 3,058,229</u>	<u>\$ 1,096,315</u>	<u>\$ (542,814)</u>

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

For the year ended December 31, 2017, the County recognized pension expense of \$5,344,893, \$2,541,249, and \$524,427 for Regular, SLEP and ECO, respectively. At December 31, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Regular Plan	Deferred Outflows of Resource	Deferred Inflows of Resources
<u>Deferred Amounts Related to Pensions</u>		
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ 228,562	\$ 278,625
Changes in assumptions	86,066	4,726,417
Net difference between projected and actual earnings on pension plan investments	5,980,361	14,864,464
Total Deferred Amounts to be recognized in pension expense in future periods	6,294,989	19,869,506
<i>Pension Contributions made subsequent to the the Measurement Date</i>	-	-
Total Deferred Amounts Related to Pensions	<u>\$ 6,294,989</u>	<u>\$ 19,869,506</u>
SLEP Plan	Deferred Outflows of Resource	Deferred Inflows of Resources
<u>Deferred Amounts Related to Pensions</u>		
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ 1,420,703	\$ 726,126
Changes in assumptions	454,614	834,483
Net difference between projected and actual earnings on pension plan investments	2,113,004	5,840,974
Total Deferred Amounts to be recognized in pension expense in future periods	3,988,321	7,401,583
<i>Pension Contributions made subsequent to the the Measurement Date</i>	-	-
Total Deferred Amounts Related to Pensions	<u>\$ 3,988,321</u>	<u>\$ 7,401,583</u>

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

ECO Plan	Deferred Outflows of Resource	Deferred Inflows of Resources
Deferred Amounts Related to Pensions		
<i>Deferred Amounts to be Recognized in Pension</i>		
<i>Expense in Future Periods</i>		
Differences between expected and actual experience	\$ -	\$ 527,195
Changes in assumptions	-	167,136
Net difference between projected and actual earnings on pension plan investments	524,520	1,381,545
Total Deferred Amounts to be recognized in pension expense in future periods	524,520	2,075,876
<i>Pension Contributions made subsequent to the the Measurement Date</i>		
	-	-
Total Deferred Amounts Related to Pensions	\$ 524,520	\$ 2,075,876

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

Year Ending December 31,	Net Deferred Outflows of Resources		
	Regular	SLEP	ECO
2018	\$ (2,290,723)	\$ (220,742)	\$ (754,470)
2019	(2,927,771)	(401,016)	(127,370)
2020	(4,639,907)	(1,460,834)	(324,129)
2021	(3,716,116)	(1,358,380)	(345,387)
2022	-	27,710	-
Thereafter	-	-	-
	\$ (13,574,517)	\$ (3,413,262)	\$ (1,551,356)

The allocation of amounts related to pensions is as follows:

	Primary Government	Component Unit
Deferred outflows	\$ 10,644,547	\$ 163,283
Net pension liabilities (asset)	6,197,895	(563,649)
Deferred inflows	27,995,069	1,351,897
Net pension expense adjustment	2,816,112	152,145

11. Post-employment Benefits other than Pension

Plan Description

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

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

Benefits Provided

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

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

Plan totals below include amounts allocated to the component units: the Public Building Commission and the Intergovernmental Grants Department.

Employees Covered by Benefit Terms

As of December 31, 2016, the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	80
Active employees	736
	816

Contributions

Employer contributions are based on bi-annual actuarially determined amounts. The County Board authorizes the actual contribution as part of the annual budget process. Employees are not required to contribute to the plan. The 2017 calculated contribution of \$334,951 was paid in full.

Net OPEB Liability

The County's net OPEB liability was measured as of December 31, 2017. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016 with a measurement date of December 31, 2017 and includes the Public Building Commission and the Intergovernmental Grants Department.

Actuarial Assumptions

The following are the methods and assumptions used to determine total OPEB liability at December 31, 2017:

- The **Actuarial Cost Method** used was Entry Age Normal
- The **Asset Valuation Method** used was Market Value.
- The **Inflation Rate** was assumed to be 2.3%
- The **Investment Rate of Return** was assumed to be 5.25%.
- **Healthcare Cost Trend Rates used were** 6.8% for 2017, gradually decreasing to an ultimate rate of 4.0% for 2088 and beyond.
- **Mortality** rates were based on the RP-2014 Mortality for Employees, Healthy Annuitants, and Disabled Annuitants with generational projection per Scale MP-2016.
- The long-term expected **Rate of Return** on plan investments was determined by adding expected inflation to expected long-term real returns and reflection expected volatility and correlation. The capital market assumption are per Milliman's investment consulting practice as of December 31, 2016.

Asset Class	Portfolio Target Percentage	Long-term Expected Real Rate of Return
Broad US Equities	20.57%	5.18%
Developed Foreign Equities	13.03%	6.42%
US Government Bonds	60.21%	0.76%
Cash	5.94%	0.29%
Total	100%	

There were no benefit changes during the year.

Discount Rate

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

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

Changes in Net OPEB Liability

Regular Plan	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A-B)
Balances at December 31, 2016	\$ 4,995,586	\$ 2,894,590	\$ 2,100,996
Changes for the year:			
Service Cost	178,351	-	178,351
Interest on the Total OPEB Liability	260,177	-	260,177
Changes on Benefit Terms	-	-	-
Differences Between Expected & Actual Experience of the Total OPEB Liability	-	-	-
Changes of Assumptions	-	-	-
Contributions – Employer	-	334,951	(334,951)
Contributions – Employees	-	-	-
Net Investment Income	-	156,171	(156,171)
Benefit Payments, including Refunds Of Employee Contributions	(442,026)	-	(442,026)
Other (Net Transfer)	-	-	-
Net Changes	(3,498)	491,122	(494,620)
Balances at December 31, 2017	\$ 4,992,088	\$ 3,385,712	\$ 1,606,376

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

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

	1% Lower 1.25%	Current Discount 5.25%	1% Higher 6.25%
Net OPEB Liability	\$ 1,941,701	\$ 1,606,376	\$ 1,298,068

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

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

	1% Lower 1.25%	Current Trend Rate 5.25%	1% Higher 6.25%
Net OPEB Liability	\$ 1,176,079	\$ 1,606,376	\$ 2,104,746

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

At December 31, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Amounts Related to OPEB	Deferred Outflows of Resource	Deferred Inflows of Resources
<i>Deferred Amounts to be Recognized in OPEB Expense in Future Periods</i>		
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	(1,069)	-
Total Deferred Amounts to be recognized in OPEB expense in future periods	(1,069)	-
<i>OPEB Contributions made subsequent to the the Measurement Date</i>	-	-
Total Deferred Amounts Related to OPEB	\$ (1,069)	\$ -

ST. CLAIR COUNTY, ILLINOIS
Notes to the Financials Statements

14. MidAmerica St. Louis Airport

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

15. Related party

In addition to the lease arrangements, the Intergovernmental Grants Department and the Public Building Commission participate in the Tort and Medical Self-Insurance programs of the County including the unemployment insurance program. Reimbursements to the County for their portion of these programs were \$509,850 from the Grants Department and \$496,071 from the Public Building Commission.

At the end of 2017, the Public Building Commission loaned the Airport operations \$128,700 to purchase certain refueling equipment. The note, payable over 36 months, accrues interest at the rate of 1%.

16. Pending litigation, contingencies, and commitments

St. Clair County has been named as defendant in a number of lawsuits pending at December 31, 2017. Claims, which have not advanced to the stage of litigation, have also been made against the County. In the opinion of the State's Attorney and outside legal counsel, settlement of these matters is not expected to result in an unfunded liability to the County.

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

**REQUIRED SUPPLEMENTARY
INFORMATION**

ST. CLAIR COUNTY, ILLINOIS
Required Supplementary Information
Multi-year Schedule of Changes in Net Pension Liability and Related Ratios
December 31, 2017

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

Notes to Schedule:

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

ST. CLAIR COUNTY, ILLINOIS
Required Supplementary Information
Multi-year Schedule of Changes in Net Pension Liability and Related Ratios
December 31, 2017

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

Notes to Schedule:

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

ST. CLAIR COUNTY, ILLINOIS
Required Supplementary Information
Multi-year Schedule of Changes in Net Pension Liability and Related Ratios
December 31, 2017

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

Notes to Schedule:

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

ST. CLAIR COUNTY, ILLINOIS
Required Supplementary Information
Schedule of Employer Pension Contributions
December 31, 2017

Calendar year ending December 31,	ECO			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarilly Determined Contribution	\$ 314,832	\$ 502,594	\$ 474,479	\$ 461,781
Actual Contribution	315,487	502,594	476,127	461,780
Contribution Deficiency (Excess)	(655)	-	(1,648)	1
Covered Valuation Payroll	576,299	869,390	890,371	995,647
Actual Contribution as a % of Covered Valuation Payroll	54.74%	57.81%	53.48%	46.38%

Estimate based on:

Contribution rate	54.63%	57.81%	53.29%	47.00%
Covered valuation payroll	\$ 576,299	\$ 869,390	\$ 890,371	\$ 995,647

Calendar year ending December 31,	Regular			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarilly Determined Contribution	\$ 3,125,018	\$ 3,033,919	\$ 3,134,717	\$ 3,300,142
Actual Contribution	3,120,553	3,033,920	3,134,717	3,239,647
Contribution Deficiency (Excess)	4,465	(1)	-	60,495
Covered Valuation Payroll	29,260,466	28,784,814	29,997,292	30,472,234
Actual Contribution as a % of Covered Valuation Payroll	10.66%	10.54%	10.45%	10.63%

Estimate based on:

Contribution rate	10.68%	10.54%	10.45%	11.45%
Covered valuation payroll	\$ 29,260,466	\$ 28,784,814	\$ 29,997,292	\$ 30,472,234

Calendar year ending December 31,	SLEP			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarilly Determined Contribution	\$ 2,006,272	\$ 2,031,215	\$ 2,101,596	\$ 2,086,886
Actual Contribution	2,006,273	2,031,214	2,101,597	2,086,886
Contribution Deficiency (Excess)	(1)	1	(1)	-
Covered Valuation Payroll	9,198,864	9,092,277	9,436,894	9,370,839
Actual Contribution as a % of Covered Valuation Payroll	21.81%	22.34%	22.27%	22.27%

Estimate based on:

Contribution rate	21.81%	22.34%	22.27%	22.89%
Covered valuation payroll	\$ 9,198,864	\$ 9,092,277	\$ 9,436,894	\$ 9,370,839

ST CLAIR COUNTY, ILLINOIS
Required Supplementary Information
Notes to Net Pension Liability and Contribution Schedules
December 31, 2017

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2017 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 2017 Contribution Rates:

Actuarial Cost Method:	Aggregate Entry Age Normal
Amortization Method:	Level percentage of payroll, Closed
Remaining Amortization Period:	26-year closed period. Early Retirement Incentive Plan Liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 21 years for most employers.
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	3.50%
Price Inflation:	2.75%, approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases:	3.75% to 14.50%, including inflation
Investment Rate of Return:	7.50%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.
Mortality:	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee mortality Table with adjustments to match current IMRF experience.
Other Information:	
Notes:	There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2015 actuarial valuation.

ST. CLAIR COUNTY, ILLINOIS
Required Supplementary Information
Multi-year Schedule of Changes in Net OPEB Liability and Related Ratios
December 31, 2017

Calendar year ending December 31,	<u>2017</u>
Total OPEB Liability	
Service Cost	\$ 178,351
Interest on the total OPEB liability	260,177
Changes in Benefit Terms	-
Difference between Expected and Actual Experience of the Total OPEB Liability	-
Changes of Assumptions	-
Benefit Payments	(442,026)
Net Change in total OPEB liability	<u>(3,498)</u>
Total OPEB Liability - Beginning	<u>4,995,586</u>
Total OPEB Liability - Ending (A)	<u><u>\$ 4,992,088</u></u>
Plan Fiduciary Net Position	
Employer Contributions	\$ 334,951
Employee Contributions	-
Net Investment Income	156,171
Benefit Payments, including Refunds of Employee Contributions	-
Other (Net Transfer)	-
Net Change in Plan Fiduciary Net Position	<u>491,122</u>
Plan Fiduciary Net Position - Beginning	<u>2,894,590</u>
Plan Fiduciary Net Position - Ending (B)	<u><u>\$ 3,385,712</u></u>
Net OPEB Liability/(Asset) - Ending (A) - (B)	\$ 1,606,376
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	67.82%
Covered Valuation Payroll	\$ 37,088,820
Net OPEB Liability as a Percentage of Covered Valuation Payroll	4.33%

Notes to Schedule:

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

ST. CLAIR COUNTY, ILLINOIS
Required Supplementary Information
Schedule of Employer OPEB Contributions
December 31, 2017

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

ST CLAIR COUNTY, ILLINOIS
Required Supplementary Information
Notes to Net OPEB Liability and Contribution Schedules
December 31, 2017

Summary of Actuarial Methods and Assumptions Used for Funding Policy

The employer pre-funds benefits through contributions to the trust. The current funding policy is to contribute the Actuarially Determined Contribution as calculated by the actuary. The Actuarially Determined Contribution is the sum of the current year's normal cost plus an amount necessary to amortize the unfunded liability over a layer 30 year period. the following actuarial methods and assumptions were used to calculate the 2017 Actuarially Determined Contribution.

Valuation Timing:

Notes Actuarial valuations for funding purposes are performed biennially as of December 31. The most recent valuation was performed as of December 31, 2016.

Methods and Assumptions Used to Determine 2017 Contribution Rates:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level dollar, Layered periods
Remaining Amortization Period:	30-years at December 31, 2016
Asset Valuation Method:	Market Value
Price Inflation:	2.30%
Salary Increases:	N/A
Expected long-term rate of return	5.25%
Discount Rate	5.25%
Healthcare Cost Trend Rates	6.8% for 2017, gradually decreasing to an ultimate rate of 4.0% for 2088 and beyond.
Mortality:	RP-2014 Mortality for Employees, Healthy Annuitants, and Disabled Annuitants with generational projection per Scale MP-2016.

Other Information:

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

*Based on the Valuation Date of December 31, 2016 (date as of which the actuarial valuation is performed). The Measurement Date of December 31, 2017 is the date as of which the net OPEB liability is determined.

ST. CLAIR COUNTY, ILLINOIS
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget to Actual
General Fund
For the year ended December 31, 2017

	Budgeted Amounts		Budgetary Basis	Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	\$ 16,133,560	\$ 16,133,560	\$ 11,983,418	\$ (4,150,142)
State income tax	6,215,958	6,215,958	5,633,293	(582,665)
Personal property replacement tax	2,799,274	2,799,274	2,610,321	(188,953)
Sales tax	9,685,317	9,685,317	9,589,247	(96,070)
Other taxes	200,000	200,000	205,957	5,957
Revenue from federal/state agencies	984,506	984,506	210,008	(774,498)
Revenue from local agencies	180,000	180,000	151,881	(28,119)
Earnings on investments	262,572	262,572	268,866	6,294
Licenses, permits, fines, fees and services	14,284,400	14,284,400	14,861,308	576,908
Miscellaneous revenues	51,000	51,000	16,536	(34,464)
	<u>50,796,587</u>	<u>50,796,587</u>	<u>45,530,835</u>	<u>(5,265,752)</u>
EXPENDITURES				
General government	37,588,604	36,914,029	19,046,063	(17,867,966)
Public safety	15,848,409	16,695,972	16,505,494	(190,478)
Judicial	4,917,469	4,832,578	4,683,082	(149,496)
Public health	38,100	41,216	41,272	56
	<u>58,392,582</u>	<u>58,483,795</u>	<u>40,275,911</u>	<u>(18,207,884)</u>
Excess of revenues over (under) expenditures	<u>(7,595,995)</u>	<u>(7,687,208)</u>	<u>5,254,924</u>	<u>12,942,132</u>
Other financing sources (uses):				
Operating transfers-in	65,000	65,000	127,970	62,970
Operating transfers-out	(3,619,793)	(3,626,831)	(3,054,253)	572,578
Total other financing sources (uses)	<u>(3,554,793)</u>	<u>(3,561,831)</u>	<u>(2,926,283)</u>	<u>635,548</u>
Net changes in fund balances	<u>\$ (11,150,788)</u>	<u>\$ (11,249,039)</u>	<u>2,328,641</u>	<u>\$ 13,577,680</u>
Reconciliation of budgetary basis to government fund statement of changes in fund balance:				
Effect of unrecorded assets			(720,065)	
Effect of market value adjustment on investments			(45,347)	
Effect of unrecorded liabilities			254,378	
Effect of unrecorded deferred inflows			(402,712)	
Effect of due to/from other funds			515,990	
Beginning fund balances			<u>28,867,701</u>	
Ending fund balances			<u>\$ 30,798,586</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, 2017

	<u>Budgeted Amounts</u>		<u>Budgetary Basis</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES				
Property taxes	\$ 8,552,104	\$ 8,552,104	\$ 4,550,657	\$ (4,001,447)
Motor fuel tax	4,300,000	4,300,000	4,558,743	258,743
Earnings on investments	281,610	281,610	411,006	129,396
Licenses, permits, fines, fees and services	420,883	420,883	43,671	(377,212)
Revenue from federal/state agencies	-	-	1,967,461	1,967,461
Revenue from local agencies	200,000	200,000	1,281,236	1,081,236
Miscellaneous revenues	20,050	20,050	19,846	(204)
	<u>13,774,647</u>	<u>13,774,647</u>	<u>12,832,620</u>	<u>(942,027)</u>
EXPENDITURES				
Transportation	<u>22,927,711</u>	<u>30,427,275</u>	<u>18,051,316</u>	<u>(12,375,959)</u>
	<u>22,927,711</u>	<u>30,427,275</u>	<u>18,051,316</u>	<u>(12,375,959)</u>
Excess of revenues over (under) expenditures	<u>(9,153,064)</u>	<u>(16,652,628)</u>	<u>(5,218,696)</u>	<u>11,433,932</u>
Other financing sources (uses):				
Operating transfers-out	<u>(2,300,000)</u>	<u>(2,318,204)</u>	<u>(1,974,406)</u>	<u>343,798</u>
Total other financing sources (uses)	<u>(2,300,000)</u>	<u>(2,318,204)</u>	<u>(1,974,406)</u>	<u>343,798</u>
Net changes in fund balances	<u>\$ (11,453,064)</u>	<u>\$ (18,970,832)</u>	<u>(7,193,102)</u>	<u>\$ 11,777,730</u>
Reconciliation of budgetary basis to government fund statement of changes in fund balance:				
Effect of unrecorded assets			1,033,573	
Effect of market value adjustment on investments			(48,702)	
Effect of unrecorded liabilities			735,089	
Effect of unrecorded deferred inflows			(363,947)	
Effect of due to/from other funds			826	
Beginning fund balances			<u>43,518,410</u>	
Ending fund balances			<u>\$ 37,682,147</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, 2017

	<u>Budgeted Amounts</u>		<u>Budgetary Basis Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 12,948,160	\$ 12,332,755	\$ 11,970,421	\$ (362,334)
Revenue from local agencies	-	-	30,443	30,443
Earnings on investments	<u>2,250</u>	<u>9,000</u>	<u>22,033</u>	<u>\$ 13,033</u>
	<u>12,950,410</u>	<u>12,341,755</u>	<u>12,022,897</u>	<u>(318,858)</u>
EXPENDITURES				
General government	<u>11,808,907</u>	<u>11,808,907</u>	<u>11,805,761</u>	<u>(3,146)</u>
	<u>11,808,907</u>	<u>11,808,907</u>	<u>11,805,761</u>	<u>(3,146)</u>
Net changes in fund balances	<u>\$ 1,141,503</u>	<u>\$ 532,848</u>	217,136	<u>\$ (315,712)</u>
Reconciliation of budgetary basis to government fund statement of changes in fund balance:				
Effect of unrecorded assets			216,794	
Effect of market value adjustment on investments			(1,354)	
Effect of unrecorded deferred inflows			(215,958)	
Beginning fund balances			<u>373,123</u>	
Ending fund balances			<u>\$ 589,741</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, 2017

	Budgeted Amounts		Budgetary Basis Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 6,478,906	\$ 6,478,906	\$ -	\$ (6,478,906)
Earnings on investments	<u>75,150</u>	<u>75,150</u>	<u>133,936</u>	<u>58,786</u>
	<u>6,554,056</u>	<u>6,554,056</u>	<u>133,936</u>	<u>(6,420,120)</u>
EXPENDITURES				
Debt service	<u>7,509,500</u>	<u>7,509,500</u>	<u>5,762,043</u>	<u>(1,747,457)</u>
	<u>7,509,500</u>	<u>7,509,500</u>	<u>5,762,043</u>	<u>(1,747,457)</u>
Excess of revenues over (under) expenditures	<u>(955,444)</u>	<u>(955,444)</u>	<u>(5,628,107)</u>	<u>(4,672,663)</u>
Other financing sources (uses):				
Operating transfers-in	<u>2,300,000</u>	<u>2,300,000</u>	<u>1,974,406</u>	<u>(325,594)</u>
Total other financing sources (uses)	<u>2,300,000</u>	<u>2,300,000</u>	<u>1,974,406</u>	<u>(325,594)</u>
Net changes in fund balances	<u>\$ 1,344,556</u>	<u>\$ 1,344,556</u>	<u>(3,653,701)</u>	<u>\$ (4,998,257)</u>
Reconciliation of budgetary basis to government fund statement of changes in fund balance:				
Effect of unrecorded assets			10,821	
Effect of market value adjustment on investments			(12,240)	
Beginning fund balances			<u>16,676,614</u>	
Ending fund balances			<u>\$ 13,021,494</u>	

ST. CLAIR COUNTY, ILLINOIS
Notes to Other Required Supplementary Information
December 31, 2017

Major Funds

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

Nonmajor Funds

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

Budgetary Information

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

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

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

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

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheet - All General Fund Accounts
December 31, 2017

	General County	General County Escrow	Working Cash	Personal Property Replacement Tax	County Automation	Geographic Information System	Pari- Mutuel	Tort Liability
ASSETS								
Cash	\$ 750,813	\$ 2,991	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,799
Equity in cash and investment pool	3,491,407	320,520	1,220,943	13,284,663	-	559,919	415,172	1,366,630
Accounts receivable	3,435,292	-	-	269,803	-	88	48,885	2,500
Taxes receivable	8,670,167	-	-	-	-	-	-	3,419,666
Interest receivable	16,555	285	1,113	-	-	477	-	1,050
Internal balances	5,032,225	-	-	-	-	-	-	2,041
Inventory	96,325	-	-	-	-	-	-	-
Prepaid expenditures	639	-	-	-	-	-	-	503,873
Total assets	\$ 21,493,423	\$ 323,796	\$ 1,222,056	\$ 13,554,466	\$ -	\$ 560,484	\$ 464,057	\$ 5,310,559
LIABILITIES								
Liabilities								
Accounts payable	\$ 306,667	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,681
Accrued salaries	1,543,963	-	-	-	-	11,983	-	14,619
Internal balances	61,736	-	-	-	-	-	-	2,286
Funds held in escrow	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	982,466
Unearned income	3,414	-	-	-	-	-	-	5,449
Total liabilities	1,915,780	-	-	-	-	11,983	-	1,052,501
DEFERRED INFLOWS OF RESOURCES								
Deferred taxes and related fees	9,470,763	-	-	-	-	-	-	3,419,666
FUND BALANCE								
Nonspendable	96,964	-	-	-	-	-	-	503,873
Restricted	-	-	-	-	-	-	-	334,519
Committed	-	-	-	-	-	455,214	157,052	-
Assigned	-	-	1,222,056	-	-	93,287	307,005	-
Unassigned	10,009,916	323,796	-	13,554,466	-	-	-	-
Total fund balance	10,106,880	323,796	1,222,056	13,554,466	-	548,501	464,057	838,392
Total liabilities, deferred inflows of resources and fund balance	\$ 21,493,423	\$ 323,796	\$ 1,222,056	\$ 13,554,466	\$ -	\$ 560,484	\$ 464,057	\$ 5,310,559

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheet - All General Fund Accounts
December 31, 2017

	Capital Replacement	MetroLink Security	Dispatching Services	State's Attorney Programs	Payroll Escrow	Pool	Total General Fund
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 596,064	\$ 1,364,667
Equity in cash and investment pool	3,176,293	253,255	-	84,285	834,453	57,727	25,065,267
Accounts receivable	-	-	-	1,309	-	-	3,757,877
Taxes receivable	-	-	-	-	-	-	12,089,833
Interest receivable	3,357	-	-	52	717	-	23,606
Internal balances	4,160,131	9,870	(738,694)	-	(439,513)	(91)	8,025,969
Inventory	-	-	-	-	-	-	96,325
Prepaid expenditures	-	-	-	-	-	-	504,512
Total assets	\$ 7,339,781	\$ 263,125	\$ (738,694)	\$ 85,646	\$ 395,657	\$ 653,700	\$ 50,928,056
LIABILITIES							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 354,348
Accrued salaries	-	111,621	85,752	-	-	-	1,767,938
Internal balances	3,012,047	-	-	-	395,657	7,937	3,479,663
Funds held in escrow	-	-	-	-	-	645,763	645,763
Other liabilities	-	-	-	-	-	-	982,466
Unearned income	-	-	-	-	-	-	8,863
Total liabilities	3,012,047	111,621	85,752	-	395,657	653,700	7,239,041
DEFERRED INFLOWS OF RESOURCES							
Deferred taxes and related fees	-	-	-	-	-	-	12,890,429
FUND BALANCE							
Nonspendable	-	-	-	-	-	-	600,837
Restricted	-	151,504	-	-	-	-	486,023
Committed	4,327,734	-	-	85,646	-	-	5,025,646
Assigned	-	-	-	-	-	-	1,622,348
Unassigned	-	-	(824,446)	-	-	-	23,063,732
Total fund balance	4,327,734	151,504	(824,446)	85,646	-	-	30,798,586
Total liabilities, deferred inflows of resources and fund balance	\$ 7,339,781	\$ 263,125	\$ (738,694)	\$ 85,646	\$ 395,657	\$ 653,700	\$ 50,928,056

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
All General Fund Accounts
For the year ended December 31, 2017

	General County	General County Escrow	Working Cash	Personal Property Replacement Tax	County Automation	Geographic Information System	Parti-Mutuel	Tort Liability
REVENUES								
Property taxes	\$ 8,590,369	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,393,060
State income tax	5,437,038	-	-	-	-	-	-	-
Personal property replacement tax	-	-	-	2,471,589	-	-	-	-
Sales tax	9,681,070	-	-	-	-	-	209,979	-
Other taxes	-	-	-	-	-	-	-	-
Revenue from federal/state agencies	583,823	-	-	-	-	-	-	-
Revenue from local agencies	-	-	-	-	-	-	-	-
Licenses, permits, fines, fees and services	-	-	-	-	-	-	-	87,367
Earnings on investments	12,001,870	36,787	-	-	96,700	345,490	42,013	-
Miscellaneous revenues	187,947	14,701	9,436	(29,496)	1,140	4,406	(1,207)	1,643
	14,580	-	-	-	-	-	-	40
	<u>36,496,687</u>	<u>51,488</u>	<u>9,436</u>	<u>2,442,093</u>	<u>97,840</u>	<u>349,896</u>	<u>250,785</u>	<u>3,482,110</u>
EXPENDITURES								
General government	14,354,337	-	-	-	635,814	372,920	48,700	3,091,519
Public safety	13,429,231	-	-	-	-	-	-	-
Judicial	4,672,400	-	-	-	-	-	-	-
Public Health	41,216	-	-	-	-	-	-	-
	<u>32,497,184</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>635,814</u>	<u>372,920</u>	<u>48,700</u>	<u>3,091,519</u>
Excess (deficiency) of revenues over (under) expenditures	3,999,503	51,488	9,436	2,442,093	(537,974)	(23,024)	202,085	390,591
Other financing sources (uses)								
Operating transfers-in	128,266	-	-	-	-	-	-	-
Operating transfers-out	(1,716,717)	-	-	(386,328)	-	-	-	(571,270)
Intra fund transfers (net)	2,295,150	(2,500,000)	-	-	176,214	-	-	-
Total other financing sources (uses)	706,699	(2,500,000)	-	(386,328)	176,214	-	-	(571,270)
Net changes in fund balances	4,706,202	(2,448,512)	9,436	2,055,765	(361,760)	(23,024)	202,085	(180,679)
Beginning fund balances	5,400,678	2,772,308	1,212,620	11,498,701	361,760	571,525	261,972	1,019,071
Ending fund balances	\$ 10,106,880	\$ 323,796	\$ 1,222,056	\$ 13,554,466	\$ -	\$ 548,501	\$ 464,057	\$ 838,392

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
All General Fund Accounts
For the year ended December 31, 2017

	Capital Replacement	MetroLink Security	Dispatching Services	State's Attorney Programs	Payroll Escrow	Pool	Total General Fund
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,983,419
State income tax	-	-	-	-	-	-	5,437,038
Personal property replacement tax	-	-	-	-	-	-	2,471,589
Sales tax	-	-	-	-	-	-	9,681,070
Other taxes	-	-	-	-	-	-	209,979
Revenue from federal/state agencies	-	-	-	-	-	-	583,823
Revenue from local agencies	-	-	-	-	-	-	87,367
Licenses, permits, fines, fees and services	-	1,413,986	865,190	32,114	-	-	14,834,150
Earnings on investments	8,002	(306)	(3,714)	284	-	-	192,836
Miscellaneous revenues	-	-	-	-	-	-	14,620
	<u>8,002</u>	<u>1,413,680</u>	<u>861,476</u>	<u>32,398</u>	-	-	<u>45,495,891</u>
EXPENDITURES							
General government	319,093	-	-	-	-	-	18,822,383
Public safety	-	1,439,559	1,685,922	-	-	-	16,554,712
Judicial	-	-	-	30,014	-	-	4,702,414
Public Health	-	-	-	-	-	-	41,216
	<u>319,093</u>	<u>1,439,559</u>	<u>1,685,922</u>	<u>30,014</u>	-	-	<u>40,120,725</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(311,091)</u>	<u>(25,879)</u>	<u>(824,446)</u>	<u>2,384</u>	-	-	<u>5,375,166</u>
Other financing sources (uses)							
Operating transfers-in	-	-	-	-	-	-	128,266
Operating transfers-out	(898,232)	-	-	-	-	-	(3,572,547)
Intra fund transfers (net)	-	-	-	28,636	-	-	-
Total other financing sources (uses)	<u>(898,232)</u>	-	-	<u>28,636</u>	-	-	<u>(3,444,281)</u>
Net changes in fund balances	<u>(1,209,323)</u>	<u>(25,879)</u>	<u>(824,446)</u>	<u>31,020</u>	-	-	<u>1,930,885</u>
Beginning fund balances	<u>5,537,057</u>	<u>177,383</u>	-	<u>54,626</u>	-	-	<u>28,867,701</u>
Ending fund balances	<u>\$ 4,327,734</u>	<u>\$ 151,504</u>	<u>\$ (824,446)</u>	<u>\$ 85,646</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,798,586</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheet
Transportation Fund Accounts
December 31, 2017

	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	17,700	7,178,600	2,967,784	4,749,100	23,346,540	44,084	1,432,176	-	-	39,735,984
Accounts receivable	-	-	-	435,265	518,227	-	68,634	-	-	1,022,126
Taxes receivable	3,507,349	98,206	1,259,138	-	-	-	-	-	-	4,864,693
Interest receivable	848	6,569	3,687	4,531	21,338	122	1,344	-	-	38,439
Internal balances	347,069	(88)	(302,002)	(50,206)	(817)	2,294	(15,947)	-	137,657	117,960
Inventory	-	-	-	207,025	-	-	-	-	-	207,025
Total assets	\$ 3,873,466	\$ 7,283,287	\$ 3,928,607	\$ 5,345,715	\$ 23,885,288	\$ 46,500	\$ 1,486,207	\$ -	\$ 137,657	\$ 45,986,727
LIABILITIES										
Accounts payable	\$ 108,105	\$ 1,004,429	\$ 1,444,453	\$ 5,760	\$ 427,882	\$ 923	\$ 2,395	\$ -	\$ -	\$ 2,993,947
Accrued salaries	-	-	-	-	-	-	-	-	137,657	137,657
Unearned income	-	-	-	-	308,283	-	-	-	-	308,283
Total liabilities	108,105	1,004,429	1,444,453	5,760	736,165	923	2,395	-	137,657	3,439,887
DEFERRED INFLOWS OF RESOURCES										
Deferred taxes and related fees	3,507,349	98,206	1,259,138	-	-	-	-	-	-	4,864,693
FUND BALANCE										
Nonspendable	258,012	6,180,652	1,225,016	207,025	23,149,123	45,577	1,483,812	-	-	207,025
Restricted	258,012	6,180,652	1,225,016	5,339,955	23,149,123	45,577	1,483,812	-	-	37,475,122
Total liabilities, deferred inflows of resources and fund balance	\$ 3,873,466	\$ 7,283,287	\$ 3,928,607	\$ 5,345,715	\$ 23,885,288	\$ 46,500	\$ 1,486,207	\$ -	\$ 137,657	\$ 45,986,727

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Transportation Fund Accounts
For the year ended December 31, 2017

	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	\$ 2,386,746	\$ 901,887	\$ 1,250,024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,550,657
Motor fuel tax	-	-	-	3,875,552	-	-	792,889	-	-	4,668,441
Revenue from federal/state agencies	331,466	184,542	-	-	1,969,680	-	-	-	-	2,485,688
Revenue from local agencies	17,582	-	-	-	2,896,384	763,654	-	-	-	3,677,620
Licenses, permits, fines, fees and services	30,845	-	-	13,759	225	11,615	-	-	-	56,444
Earnings on investments	31,963	55,498	50,378	41,798	182,439	1,045	10,470	-	-	373,591
	<u>2,810,602</u>	<u>1,141,927</u>	<u>1,300,402</u>	<u>3,931,109</u>	<u>5,048,728</u>	<u>776,314</u>	<u>803,359</u>	<u>-</u>	<u>-</u>	<u>15,812,441</u>
EXPENDITURES										
Transportation	4,026,965	1,783,481	5,243,248	2,490,308	5,099,108	521,520	509,668	-	-	19,674,298
	<u>4,026,965</u>	<u>1,783,481</u>	<u>5,243,248</u>	<u>2,490,308</u>	<u>5,099,108</u>	<u>521,520</u>	<u>509,668</u>	<u>-</u>	<u>-</u>	<u>19,674,298</u>
Excess of revenues over (under) expenditures	<u>(1,216,363)</u>	<u>(641,554)</u>	<u>(3,942,846)</u>	<u>1,440,801</u>	<u>(50,380)</u>	<u>254,794</u>	<u>293,691</u>	<u>-</u>	<u>-</u>	<u>(3,861,857)</u>
Other financing sources (uses)										
Operating transfers-out	(236,929)	-	(268,204)	(1,469,273)	-	-	-	-	-	(1,974,406)
Total other financing sources (uses)	<u>(236,929)</u>	<u>-</u>	<u>(268,204)</u>	<u>(1,469,273)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,974,406)</u>
Net changes in fund balances	<u>(1,453,292)</u>	<u>(641,554)</u>	<u>(4,211,050)</u>	<u>(28,472)</u>	<u>(50,380)</u>	<u>254,794</u>	<u>293,691</u>	<u>-</u>	<u>-</u>	<u>(5,836,263)</u>
Beginning fund balances	<u>1,711,304</u>	<u>6,822,206</u>	<u>5,436,066</u>	<u>5,368,427</u>	<u>23,199,503</u>	<u>(209,217)</u>	<u>1,190,121</u>	<u>-</u>	<u>-</u>	<u>43,518,410</u>
Ending fund balances	<u>\$ 258,012</u>	<u>\$ 6,180,652</u>	<u>\$ 1,225,016</u>	<u>\$ 5,339,955</u>	<u>\$ 23,149,123</u>	<u>\$ 45,577</u>	<u>\$ 1,483,812</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,682,147</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheets - All Nonmajor Governmental Funds
December 31, 2017

	Social Security	Retirement Fund	Sale and Error	Indemnity	Recorder's Office Escrow	Trustee Demolition Fund	Metro-East Park & Recreation	Veteran's Assistance	General Grants	East Side Youth Violence Prevention
ASSETS										
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45	\$ -
Equity in cash and investment pool	4,557,066	5,094,475	411,507	995,411	713,262	3,845,095	5,844,308	429,263	-	-
Accounts receivable	-	-	97,256	42,076	86	751,613	183,624	371	452,185	60,755
Taxes receivable	1,813,300	3,879,128	-	-	-	-	-	375,286	-	-
Interest receivable	4,197	3,735	119	-	660	2,962	5,241	367	-	-
Internal balances	-	-	-	-	-	-	-	4,554	3,178	-
Inventory	-	-	-	-	-	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 6,374,563	\$ 8,977,338	\$ 508,882	\$ 1,037,487	\$ 714,008	\$ 4,599,670	\$ 6,033,173	\$ 809,841	\$ 455,408	\$ 60,755
LIABILITIES										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 1,961	\$ 167,600	\$ 9,487	\$ 4,839	\$ 159,109	\$ 42,505
Accrued salaries	-	-	-	-	10,023	-	3,600	7,863	10,896	704
Accrued payroll related costs	180,629	353,801	-	-	-	-	-	-	-	-
Internal balances	1,038	655	-	-	-	-	5,099	-	200,643	17,546
Unearned income	-	-	-	-	-	-	-	-	9,195	-
Total liabilities	181,667	354,456	-	-	11,984	167,600	18,186	12,702	379,843	60,755
DEFERRED INFLOWS OF RESOURCES										
Deferred taxes and related fees	1,813,300	3,879,128	97,256	42,076	-	751,613	-	375,286	-	-
FUND BALANCES										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	4,379,596	4,743,754	411,626	995,411	702,024	3,680,457	6,014,987	421,853	75,565	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total fund balance	4,379,596	4,743,754	411,626	995,411	702,024	3,680,457	6,014,987	421,853	75,565	-
Total liabilities, deferred inflows of resources and fund balance	\$ 6,374,563	\$ 8,977,338	\$ 508,882	\$ 1,037,487	\$ 714,008	\$ 4,599,670	\$ 6,033,173	\$ 809,841	\$ 455,408	\$ 60,755

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheets - All Nonmajor Governmental Funds
December 31, 2017

	Court Services Accounts										
	County Health	Landfill Surcharge	Mental Health	Civil Defense Emergency	Emergency Telephone System	Pet Population	Court Automation	Court Document Storage	Electronic Citation	Circuit Clerk Title IV-D BSCE	
ASSETS											
Cash	\$ 350	-	\$ 1,500	\$ -	\$ 502	\$ -	\$ 34,567	\$ 33,936	\$ 4,358	\$ -	
Equity in cash and investment pool	3,204,998	188,950	1,761,651	399,147	1,150,338	66,743	1,782,406	2,097,245	614,343	-	
Accounts receivable	1,443,295	102,769	-	-	310,697	-	138	-	-	10,290	
Taxes receivable	578,713	-	2,325,373	-	-	-	-	-	-	-	
Interest receivable	3,039	488	1,596	364	1,098	75	1,559	1,955	550	-	
Internal balances	95,166	19,853	12,387	-	3,023,656	-	43,455	118,940	-	-	
Inventory	7,373	-	-	-	-	-	-	-	-	-	
Prepaid expenditures	20,873	-	-	-	-	-	-	-	-	-	
Total assets	\$ 5,353,807	\$ 312,060	\$ 4,102,507	\$ 399,511	\$ 4,486,291	\$ 66,818	\$ 1,862,125	\$ 2,252,076	\$ 619,251	\$ 10,290	
LIABILITIES											
Accounts payable	\$ 297,779	\$ 3,551	\$ 150,896	\$ -	\$ 1,491,752	\$ 5,109	\$ 1,723	\$ 443	\$ -	\$ -	
Accrued salaries	125,558	4,064	9,872	-	23,269	4,040	19,791	35,952	-	6,379	
Accrued payroll related costs	-	-	-	-	-	-	-	-	-	-	
Internal balances	3,854	5,090	2,883	-	-	-	83,344	-	-	-	
Unearned income	163,949	-	-	-	-	-	-	-	-	-	
Total liabilities	591,140	12,705	163,651	-	1,515,021	9,149	104,858	36,395	-	6,379	
DEFERRED INFLOWS OF RESOURCES											
Deferred taxes and related fees	578,713	-	2,325,373	-	-	-	-	-	-	-	
FUND BALANCES											
Nonspendable	28,246	-	-	-	-	-	-	-	-	-	
Restricted	4,155,708	299,355	1,613,483	399,511	2,971,270	57,669	1,757,267	2,215,681	619,251	3,911	
Unassigned	-	-	-	-	-	-	-	-	-	-	
Total fund balance	4,183,954	299,355	1,613,483	399,511	2,971,270	57,669	1,757,267	2,215,681	619,251	3,911	
Total liabilities, deferred inflows of resources and fund balance	\$ 5,353,807	\$ 312,060	\$ 4,102,507	\$ 399,511	\$ 4,486,291	\$ 66,818	\$ 1,862,125	\$ 2,252,076	\$ 619,251	\$ 10,290	

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheets - All Nonmajor Governmental Funds
December 31, 2017

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	\$ -	\$ -	\$ -	\$ -	\$ 23,696	\$ 96,557	\$ -	\$ 877	\$ -	\$ -
Equity in cash and investment pool	695,274	291,640	35,580	129,618	-	5,646,106	42,175	2,172	44,889	8,774
Accounts receivable	-	-	-	-	-	10,428	252,232	-	-	28
Taxes receivable	-	-	-	-	-	-	-	-	63,132	-
Interest receivable	666	251	21	113	-	5,115	-	5	34	8
Internal balances	259	-	-	1,406	22,461	186,521	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 696,199	\$ 291,891	\$ 35,601	\$ 131,137	\$ 46,157	\$ 5,944,727	\$ 294,407	\$ 3,054	\$ 108,055	\$ 8,810
LIABILITIES										
Accounts payable	\$ 108	\$ -	\$ 35,745	\$ 14,336	\$ 489	\$ 52,844	\$ 122	\$ -	\$ 11,500	\$ -
Accrued salaries	1,500	-	-	2,066	33,689	99,377	21,869	-	-	-
Accrued payroll related costs	-	-	-	-	-	-	-	-	-	-
Internal balances	-	-	-	-	1,056,627	1,139,971	216,705	-	-	-
Unearned income	-	-	-	-	-	-	-	-	-	-
Total liabilities	1,608	-	35,745	16,402	1,090,805	1,292,192	238,696	-	11,500	-
DEFERRED INFLOWS OF RESOURCES										
Deferred taxes and related fees	-	-	-	-	-	-	-	-	63,132	-
FUND BALANCES										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	694,591	291,891	-	114,735	-	5,697,327	55,711	3,054	33,423	8,810
Unassigned	-	-	(144)	-	(1,044,648)	(1,044,792)	-	-	-	-
Total fund balance	694,591	291,891	(144)	114,735	(1,044,648)	4,652,535	55,711	3,054	33,423	8,810
Total liabilities, deferred inflows of resources and fund balance	\$ 696,199	\$ 291,891	\$ 35,601	\$ 131,137	\$ 46,157	\$ 5,944,727	\$ 294,407	\$ 3,054	\$ 108,055	\$ 8,810

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheets - All Nonmajor Governmental Funds
December 31, 2017

	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	\$ 1,427	\$ -	\$ 20,246	\$ 797	\$ -	\$ -	\$ 1,312	\$ 109	\$ -	\$ -
Equity in cash and investment pool	87,228	14,533	1,792,520	8,703	-	40,049	66,915	48,449	295	596,726
Accounts receivable	-	-	431,574	-	579,010	-	2,490	-	-	6,310
Taxes receivable	-	-	-	-	526,102	-	-	-	-	-
Interest receivable	76	13	1,289	6	-	39	90	81	-	538
Internal balances	-	-	1,103,817	100	31,319	-	-	-	-	24,193
Inventory	-	-	-	-	-	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 88,731	\$ 14,546	\$ 3,349,446	\$ 9,606	\$ 1,136,431	\$ 40,088	\$ 70,807	\$ 48,639	\$ 295	\$ 627,767
LIABILITIES										
Accounts payable	\$ -	\$ -	\$ 5,838	\$ -	\$ 4,396	\$ 1,902	\$ -	\$ -	\$ -	\$ 20,581
Accrued salaries	-	-	19,556	-	67,476	1,897	2,192	-	-	1,577
Accrued payroll related costs	-	-	-	-	-	-	-	-	-	-
Internal balances	-	-	-	-	1,422,197	-	15,772	-	-	-
Unearned income	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	25,394	-	1,494,069	3,799	17,964	-	-	22,158
DEFERRED INFLOWS OF RESOURCES										
Deferred taxes and related fees	-	-	-	-	526,102	-	-	-	-	-
FUND BALANCES										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	88,731	14,546	3,324,052	9,606	-	36,289	52,843	48,639	295	605,609
Unassigned	-	-	-	-	(883,740)	-	-	-	-	-
Total fund balance	88,731	14,546	3,324,052	9,606	(883,740)	36,289	52,843	48,639	295	605,609
Total liabilities, deferred inflows of resources and fund balance	\$ 88,731	\$ 14,546	\$ 3,349,446	\$ 9,606	\$ 1,136,431	\$ 40,088	\$ 70,807	\$ 48,639	\$ 295	\$ 627,767

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheets - All Nonmajor Governmental Funds
December 31, 2017

	Law Enforcement and Prosecution Grants							Total	
	Commissary Fund	Jail Medical	Victim Witness Grant	Domestic Violence Advocate Grant	Stop Grant	States Attorney Grants	Sheriff Grants		Enforcement & Prosecution Grants
ASSETS									
Cash	\$ 29,304	\$ 661	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 153,687
Equity in cash and investment pool	288,723	1,303	9,512	-	-	-	-	9,512	37,341,286
Accounts receivable	-	-	788	11,412	116,952	54,461	18,000	201,613	4,928,412
Taxes receivable	-	-	-	-	-	-	-	-	9,561,034
Interest receivable	223	4	-	-	-	-	-	-	31,462
Internal balances	1,212	-	-	-	1,172	-	-	1,172	4,507,128
Inventory	-	-	-	-	-	-	-	-	7,373
Prepaid expenditures	-	-	-	-	-	-	-	-	20,873
Total assets	\$ 299,462	\$ 1,968	\$ 10,300	\$ 11,412	\$ 118,124	\$ 54,461	\$ 18,000	\$ 212,297	\$ 56,551,255
LIABILITIES									
Accounts payable	\$ 6,682	\$ -	\$ -	\$ -	\$ 75	\$ -	\$ -	\$ 75	\$ 2,438,528
Accrued salaries	1,587	-	2,596	1,667	20,898	2,942	3,541	31,644	447,064
Accrued payroll related costs	-	-	-	-	-	-	-	-	534,430
Internal balances	-	-	-	9,716	97,146	51,519	14,459	172,840	3,204,293
Unearned income	-	-	-	-	-	-	-	-	173,144
Total liabilities	8,269	-	2,596	11,383	118,119	54,461	18,000	204,559	6,797,459
DEFERRED INFLOWS OF RESOURCES									
Deferred taxes and related fees	-	-	-	-	-	-	-	-	10,451,979
FUND BALANCES									
Nonspendable	-	-	-	-	-	-	-	-	28,246
Restricted	291,193	1,968	7,704	29	5	-	-	7,738	41,202,103
Unassigned	-	-	-	-	-	-	-	-	(1,928,532)
Total fund balance	291,193	1,968	7,704	29	5	-	-	7,738	39,301,817
Total liabilities, deferred inflows of resources and fund balance	\$ 299,462	\$ 1,968	\$ 10,300	\$ 11,412	\$ 118,124	\$ 54,461	\$ 18,000	\$ 212,297	\$ 56,551,255

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
All Nonmajor Governmental Funds
For the year ended December 31, 2017

	Social Security	Retirement Fund	Sale and Error	Indemnity	Recorders Office Escrow	Trustee Demolition Fund	Metro-East Park & Recreation	Veterans Assistance	General Grants
REVENUES									
Property taxes	\$ 1,801,259	\$ 3,921,203	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 372,460	\$ -
Other taxes	-	-	-	-	-	-	-	-	-
Revenue from federal/state agencies	-	-	-	-	-	-	-	-	1,994,573
Revenue from local agencies	-	-	-	-	-	854,003	1,201,983	100	956
Licenses, permits, fines, fees and services	-	-	301,560	127,970	287,880	-	12,181	4,454	770
Earnings on investments	37,979	32,122	790	(1,735)	6,028	24,563	42,621	2,503	-
Miscellaneous revenues	-	-	-	-	-	-	-	-	-
	<u>1,839,238</u>	<u>3,953,325</u>	<u>302,350</u>	<u>126,235</u>	<u>293,908</u>	<u>878,566</u>	<u>1,256,785</u>	<u>379,617</u>	<u>1,996,299</u>
EXPENDITURES									
General government	2,420,293	4,323,618	91,349	-	366,470	1,031,615	811,561	319,708	18,130
Public safety	-	-	-	-	-	-	-	-	1,482,781
Judicial	-	-	-	-	-	-	-	-	120,932
Public health	-	-	-	-	-	-	-	-	377,573
Debt service	-	-	-	-	-	-	-	-	-
	<u>2,420,293</u>	<u>4,323,618</u>	<u>91,349</u>	<u>-</u>	<u>366,470</u>	<u>1,031,615</u>	<u>811,561</u>	<u>319,708</u>	<u>1,999,416</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(581,055)</u>	<u>(370,293)</u>	<u>211,001</u>	<u>126,235</u>	<u>(72,562)</u>	<u>(153,049)</u>	<u>445,224</u>	<u>59,909</u>	<u>(3,117)</u>
Other financing sources (uses)									
Operating transfers-in	-	386,328	-	-	-	-	-	-	142
Operating transfers-out	<u>(77,580)</u>	<u>(109,194)</u>	-	<u>(127,970)</u>	-	-	-	-	<u>(296)</u>
Total other financing sources (uses)	<u>(77,580)</u>	<u>277,134</u>	-	<u>(127,970)</u>	-	-	-	-	<u>(154)</u>
Net changes in fund balances	<u>(658,635)</u>	<u>(93,159)</u>	<u>211,001</u>	<u>(1,735)</u>	<u>(72,562)</u>	<u>(153,049)</u>	<u>445,224</u>	<u>59,909</u>	<u>(3,271)</u>
Beginning fund balances	<u>5,038,231</u>	<u>4,836,913</u>	<u>200,625</u>	<u>997,146</u>	<u>774,586</u>	<u>3,833,506</u>	<u>5,569,763</u>	<u>361,944</u>	<u>78,836</u>
Ending fund balances	<u>\$ 4,379,596</u>	<u>\$ 4,743,754</u>	<u>\$ 411,626</u>	<u>\$ 995,411</u>	<u>\$ 702,024</u>	<u>\$ 3,680,457</u>	<u>\$ 6,014,987</u>	<u>\$ 421,853</u>	<u>\$ 75,565</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, 2017

	East Side Youth Violence Prevention	County Health	Landfill Surcharge	Mental Health	Civil Defense Emergency	Emergency Telephone System	Pet Population	Court Automation	Court Document Storage	Electronic Citation
REVENUES										
Property taxes	\$ -	\$ 574,348	\$ -	\$ 2,051,262	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-	-	-	-	-
Revenue from federal/state agencies	116,557	4,089,954	125,000	-	276,307	-	-	-	-	-
Revenue from local agencies	-	234,500	-	1,495	-	-	-	-	-	-
Licenses, permits, fines, fees and services	-	358,649	421,127	-	2,173,676	47,540	950,967	951,530	61,307	-
Earnings on investments	-	25,889	13,777	13,835	3,050	37,698	10,974	15,099	4,256	-
Miscellaneous revenues	-	-	-	-	-	700	-	-	-	-
	<u>116,557</u>	<u>5,283,340</u>	<u>559,904</u>	<u>2,066,592</u>	<u>3,050</u>	<u>2,488,381</u>	<u>961,941</u>	<u>966,629</u>	<u>65,563</u>	
EXPENDITURES										
General government	-	-	7,187	-	-	-	-	-	-	-
Public safety	116,557	-	1,484,022	-	-	1,922,420	-	-	-	-
Judicial	-	-	99,000	-	-	-	543,846	624,507	-	-
Public health	-	5,250,255	516,902	2,295,818	-	-	-	-	-	-
Debt service	-	-	-	-	-	477,838	-	-	-	-
	<u>116,557</u>	<u>5,250,255</u>	<u>2,107,111</u>	<u>2,295,818</u>	<u>-</u>	<u>2,400,258</u>	<u>543,846</u>	<u>624,507</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-	<u>33,085</u>	<u>(1,547,207)</u>	<u>(229,226)</u>	<u>3,050</u>	<u>88,123</u>	<u>(67,096)</u>	<u>418,095</u>	<u>342,122</u>	<u>65,563</u>
Other financing sources (uses)										
Operating transfers-in	-	-	-	-	-	-	-	-	-	-
Operating transfers-out	-	-	-	(26,902)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	<u>(26,902)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	-	<u>33,085</u>	<u>(1,547,207)</u>	<u>(256,128)</u>	<u>3,050</u>	<u>88,123</u>	<u>(67,096)</u>	<u>418,095</u>	<u>342,122</u>	<u>65,563</u>
Beginning fund balances	-	<u>4,150,869</u>	<u>1,846,562</u>	<u>1,869,611</u>	<u>396,461</u>	<u>2,883,147</u>	<u>124,765</u>	<u>1,339,172</u>	<u>1,873,559</u>	<u>553,688</u>
Ending fund balances	-	<u>\$ 4,183,954</u>	<u>\$ 299,355</u>	<u>\$ 1,613,483</u>	<u>\$ 399,511</u>	<u>\$ 2,971,270</u>	<u>\$ 57,669</u>	<u>\$ 1,757,267</u>	<u>\$ 2,216,681</u>	<u>\$ 619,251</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, 2017

	Court Services Accounts (continued)									
	Circuit Clerk Title IV-D BSCCE	Maintenance/Child Support Collection	Foreclosure Mediation	Custody Exchange	Law Library	Bailiff	Total Court Services	State's Attorney Title IV-D BSCCE	CASA	Childrens Advocacy Center
REVENUES										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,666
Other taxes	-	-	-	-	-	-	-	-	-	-
Revenue from federal/state agencies	45,760	-	-	-	-	-	45,760	665,880	-	-
Revenue from local agencies	-	-	-	-	-	-	-	-	-	-
Licenses, permits, fines, fees and services	-	82,501	68,700	92,703	242,301	789,974	3,239,983	-	12,013	-
Earnings on investments	-	6,042	1,731	108	958	(575)	38,593	-	71	236
Miscellaneous revenues	-	-	-	-	-	873	873	-	-	-
	<u>45,760</u>	<u>88,543</u>	<u>70,431</u>	<u>92,811</u>	<u>243,259</u>	<u>790,272</u>	<u>3,325,209</u>	<u>665,880</u>	<u>12,084</u>	<u>62,902</u>
EXPENDITURES										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	918,235	918,235	-	-	-
Judicial	110,354	109,725	-	98,986	235,258	-	1,722,676	665,879	15,000	66,000
Public health	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
	<u>110,354</u>	<u>109,725</u>	-	<u>98,986</u>	<u>235,258</u>	<u>918,235</u>	<u>2,640,911</u>	<u>665,879</u>	<u>15,000</u>	<u>66,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(64,594)</u>	<u>(21,182)</u>	<u>70,431</u>	<u>(6,175)</u>	<u>8,001</u>	<u>(127,963)</u>	<u>684,298</u>	<u>1</u>	<u>(2,916)</u>	<u>(3,098)</u>
Other financing sources (uses)										
Operating transfers-in	51,086	(51,086)	-	-	-	-	-	-	-	-
Operating transfers-out	51,086	(51,086)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net changes in fund balances	<u>(13,508)</u>	<u>(72,268)</u>	<u>70,431</u>	<u>(6,175)</u>	<u>8,001</u>	<u>(127,963)</u>	<u>684,298</u>	<u>1</u>	<u>(2,916)</u>	<u>(3,098)</u>
Beginning fund balances	<u>17,419</u>	<u>766,859</u>	<u>221,460</u>	<u>6,031</u>	<u>106,734</u>	<u>(916,685)</u>	<u>3,968,237</u>	<u>55,710</u>	<u>5,970</u>	<u>36,521</u>
Ending fund balances	<u>\$ 3,911</u>	<u>\$ 694,591</u>	<u>\$ 291,891</u>	<u>\$ (144)</u>	<u>\$ 114,735</u>	<u>\$ (1,044,648)</u>	<u>\$ 4,652,535</u>	<u>\$ 55,711</u>	<u>\$ 3,054</u>	<u>\$ 33,423</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, 2017

	ACCS State's Attorney	State's Attorney Records Automation	State's Attorney Forfeiture	Probation Services	Mental Health Court	Detention Home	Coroner's Fund	County Drug Traffic Prevention	Sheriff's DUI Fund	Transportation Safety
REVENUES										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 515,189	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-	-	-	-	-
Revenue from federal/state agencies	-	-	-	864,885	-	977,054	-	61,721	-	-
Revenue from local agencies	-	-	-	419,130	-	57,310	-	-	-	-
Licenses, permits, fines, fees and services	982	19,586	170	507,864	10,325	40	31,375	48,555	12,843	125
Earnings on investments	54	526	111	6,888	-	(567)	336	784	880	1
Miscellaneous revenues	-	-	-	-	-	-	-	-	-	-
	<u>1,036</u>	<u>20,112</u>	<u>281</u>	<u>1,798,767</u>	<u>10,325</u>	<u>1,549,026</u>	<u>31,711</u>	<u>111,060</u>	<u>13,723</u>	<u>126</u>
EXPENDITURES										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	495,511	-	1,518,862	32,231	130,117	56,341	-
Judicial	-	-	748	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
	-	-	748	495,511	-	1,518,862	32,231	130,117	56,341	-
Excess (deficiency) of revenues over (under) expenditures	<u>1,036</u>	<u>20,112</u>	<u>(467)</u>	<u>1,303,256</u>	<u>10,325</u>	<u>30,164</u>	<u>(520)</u>	<u>(19,057)</u>	<u>(42,618)</u>	<u>126</u>
Other financing sources (uses)										
Operating transfers-in	-	-	-	-	-	-	-	-	-	-
Operating transfers-out	-	-	-	(300)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(300)	-	-	-	-	-	-
Net changes in fund balances	<u>1,036</u>	<u>20,112</u>	<u>(467)</u>	<u>1,302,956</u>	<u>10,325</u>	<u>30,164</u>	<u>(520)</u>	<u>(19,057)</u>	<u>(42,618)</u>	<u>126</u>
Beginning fund balances	<u>7,774</u>	<u>68,619</u>	<u>15,013</u>	<u>2,021,096</u>	<u>(719)</u>	<u>(913,904)</u>	<u>36,809</u>	<u>71,900</u>	<u>91,257</u>	<u>169</u>
Ending fund balances	<u>\$ 8,810</u>	<u>\$ 88,731</u>	<u>\$ 14,546</u>	<u>\$ 3,324,052</u>	<u>\$ 9,606</u>	<u>\$ (883,740)</u>	<u>\$ 36,289</u>	<u>\$ 52,843</u>	<u>\$ 48,639</u>	<u>\$ 295</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, 2017

	Sheriff's Asset Forfeiture	Commissary fund	Jail Medical	Victim Witness Grant	Domestic Violence Advocate Grant	Stop Grant	States Attorney Grants	Sheriff Grants	Total Law Enforcement & Prosecution Grants
REVENUES									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-	-	-	-
Revenue from federal/state agencies	43,051	-	-	29,972	41,322	387,531	83,021	18,000	559,846
Revenue from local agencies	-	-	-	-	-	-	-	-	-
Licenses, permits, fines, fees and services	365,893	149,127	8,006	-	-	-	-	-	-
Earnings on investments	3,308	1,506	31	-	-	-	-	-	-
Miscellaneous revenues	-	-	-	-	-	-	-	-	-
	<u>412,252</u>	<u>150,633</u>	<u>8,037</u>	<u>29,972</u>	<u>41,322</u>	<u>387,531</u>	<u>83,021</u>	<u>18,000</u>	<u>559,846</u>
EXPENDITURES									
General government	-	-	-	-	-	-	-	-	-
Public safety	225,706	120,400	6,809	-	-	209,095	-	18,000	227,095
Judicial	-	-	-	45,289	52,724	180,436	83,021	-	361,470
Public health	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
	<u>225,706</u>	<u>120,400</u>	<u>6,809</u>	<u>45,289</u>	<u>52,724</u>	<u>389,531</u>	<u>83,021</u>	<u>18,000</u>	<u>588,565</u>
Excess (deficiency) of revenues over (under) expenditures	<u>186,546</u>	<u>30,233</u>	<u>1,228</u>	<u>(15,317)</u>	<u>(11,402)</u>	<u>(2,000)</u>	<u>-</u>	<u>-</u>	<u>(28,719)</u>
Other financing sources (uses)									
Operating transfers-in	-	-	-	15,318	11,431	2,005	-	-	28,754
Operating transfers-out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	<u>15,318</u>	<u>11,431</u>	<u>2,005</u>	-	-	<u>28,754</u>
Net changes in fund balances	<u>186,546</u>	<u>30,233</u>	<u>1,228</u>	<u>1</u>	<u>29</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>35</u>
Beginning fund balances	<u>419,063</u>	<u>260,960</u>	<u>740</u>	<u>7,703</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,703</u>
Ending fund balances	<u>\$ 605,609</u>	<u>\$ 291,193</u>	<u>\$ 1,968</u>	<u>\$ 7,704</u>	<u>\$ 29</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,738</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, 2017

	Total All Nonmajor Governmental Funds	Budgetary Basis	Final Budget
REVENUES			
Property taxes	\$ 9,298,387	\$ 9,298,387	\$ 16,768,978
Other taxes	-	-	-
Revenue from federal/state agencies	9,820,588	9,051,830	11,114,971
Revenue from local agencies	2,769,477	2,713,500	2,365,000
Licenses, permits, fines, fees and services	8,142,694	8,164,681	8,085,850
Earnings on investments	292,998	314,942	174,405
Miscellaneous revenues	1,573	6,460	8,775
	<u>30,325,717</u>	<u>29,549,800</u>	<u>38,517,979</u>
EXPENDITURES			
General government	9,389,931	9,624,051	17,252,399
Public safety	8,852,743	6,952,349	12,183,229
Judicial	3,051,705	3,029,919	4,794,123
Public health	8,440,548	10,121,272	14,125,468
Debt service	477,838	477,838	477,839
	<u>30,212,765</u>	<u>30,205,429</u>	<u>48,833,058</u>
Excess (deficiency) of revenues over (under) expenditures	112,952	(655,629)	(10,315,079)
Other financing sources (uses)			
Operating transfers-in	415,224	413,567	1,207,327
Operating transfers-out	(342,242)	(155,172)	(212,548)
Total other financing sources (uses)	<u>72,982</u>	<u>258,395</u>	<u>994,779</u>
Net changes in fund balances	185,934	(397,234)	(9,320,300)
Beginning fund balances	<u>39,115,883</u>		
Ending fund balances	<u>\$ 39,301,817</u>		

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheet
Internal Service Funds
December 31, 2017

	Employees' Medical Trust Fund	Unemployment Trust	Public Building Commission	Total
ASSETS				
Current assets				
Cash	\$ -	\$ -	\$ 302,373	\$ 302,373
Equity in cash and investment pool	-	46,900	-	46,900
Investments	-	-	29,938,129	29,938,129
Accounts receivable	594,081	-	24,287	618,368
Interest receivable	-	67	29,569	29,636
Due from other funds	11,405	-	-	11,405
Note receivable -current	-	-	42,472	42,472
Net investment in direct financing leases	-	-	678,667	678,667
Prepaid expenses	-	-	1,257	1,257
Total current assets	<u>605,486</u>	<u>46,967</u>	<u>31,016,754</u>	<u>31,669,207</u>
Restricted assets				
Investments	-	-	569,881	569,881
Total restricted assets	<u>-</u>	<u>-</u>	<u>569,881</u>	<u>569,881</u>
Noncurrent assets				
Due from St. Clair County	-	-	12,816,918	12,816,918
Note receivable	-	-	86,228	86,228
Net investment in direct financing leases	-	-	21,325,696	21,325,696
Capital assets	-	-	575,666	575,666
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>34,804,508</u>	<u>34,804,508</u>
Deferred outflows of resources				
Deferred outflows related to pensions	28,069	-	124,782	152,851
Total outflows of resources	<u>28,069</u>	<u>-</u>	<u>124,782</u>	<u>152,851</u>
Total assets and deferred outflows of resources	<u>\$ 633,555</u>	<u>\$ 46,967</u>	<u>\$ 66,515,925</u>	<u>\$ 67,196,447</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheet
Internal Service Funds
(continued)
December 31, 2017

	Employees' Medical Trust Fund	Unemployment Trust	Public Building Commission	Total
LIABILITIES				
Current liabilities				
Accounts payable	\$ 163,632	\$ -	\$ 135,667	\$ 299,299
Accrued payroll and related costs	8,504	19,251	264,995	292,750
Accrued interest	-	-	89,200	89,200
Due to other funds	1,818,375	-	-	1,818,375
Other liabilities	1,753,713	-	-	1,753,713
Unearned revenues	134,613	-	203,283	337,896
Revenue bonds - current	-	-	665,000	665,000
Total current liabilities	<u>3,878,837</u>	<u>19,251</u>	<u>1,358,145</u>	<u>5,256,233</u>
Noncurrent liabilities				
Funds held in escrow	-	-	34,688	34,688
Revenue bonds	-	-	21,057,114	21,057,114
Net OPEB liability	8,514	-	63,452	71,966
Net pension liability (asset)	(18,769)	-	(420,408)	(439,177)
Total noncurrent liabilities	<u>(10,255)</u>	<u>-</u>	<u>20,734,846</u>	<u>20,724,591</u>
Total liabilities	<u>3,868,582</u>	<u>19,251</u>	<u>22,092,991</u>	<u>25,980,824</u>
Deferred inflows of resources				
Unamortized gain on refinancing	-	-	339,237	339,237
Deferred inflows related to OPEB	6	-	42	48
Deferred inflows related to pensions	99,366	-	997,808	1,097,174
Total liabilities and deferred inflows of resources	<u>99,372</u>	<u>-</u>	<u>1,337,087</u>	<u>1,436,459</u>
Total liabilities and deferred inflows of resources	<u>3,967,954</u>	<u>19,251</u>	<u>23,430,078</u>	<u>27,417,283</u>
NET POSITION				
Net investment in capital assets	-	-	575,666	575,666
Restricted	-	27,716	42,510,181	42,537,897
Unrestricted	(3,334,399)	-	-	(3,334,399)
	<u>\$ (3,334,399)</u>	<u>\$ 27,716</u>	<u>\$ 43,085,847</u>	<u>\$ 39,779,164</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the year ended December 31, 2017

	Employees' Medical Trust Fund	Unemployment Trust	Public Building Commission	Total
Operating revenues				
Insurance premiums	\$ 11,109,255	\$ -	\$ -	\$ 11,109,255
Operating lease income	-	-	10,750,812	10,750,812
Capital lease interest income	-	-	1,075,448	1,075,448
Parking fees	-	-	201,777	201,777
Phone and vending commissions	-	-	181,386	181,386
Intergovernmental revenues	-	-	419,131	419,131
Miscellaneous	-	-	503	503
Total revenue	<u>11,109,255</u>	<u>-</u>	<u>12,629,057</u>	<u>23,738,312</u>
Expenses				
Insurance claims and premiums	12,229,862	75,513	-	12,305,375
Post employment benefit contribution	334,951	-	-	334,951
Payroll and related costs	155,582	-	2,302,915	2,458,497
Custodial supplies and services	-	-	736,937	736,937
Repairs, maintenance, and renovation	-	-	1,552,098	1,552,098
Utilities and telephone	-	-	1,167,744	1,167,744
Other	517,736	-	81,955	599,691
Depreciation	-	-	13,134	13,134
Interest expense	-	-	1,037,399	1,037,399
Total expenses	<u>13,238,131</u>	<u>75,513</u>	<u>6,892,182</u>	<u>20,205,826</u>
Operating income (loss)	(2,128,876)	(75,513)	5,736,875	3,532,486
Other income				
Earnings on investments	(4,546)	800	125,448	121,702
Net income (loss)	(2,133,422)	(74,713)	5,862,323	3,654,188
Net position - beginning of year (restated)	(1,200,977)	102,429	37,223,524	36,124,976
Net position - end of year	<u>\$ (3,334,399)</u>	<u>\$ 27,716</u>	<u>\$ 43,085,847</u>	<u>\$ 39,779,164</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Cash Flows
Internal Service Funds
For the year ended December 31, 2017

	Employees' Medical Trust Fund	Unemployment Trust	Public Building Commission	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments from customers	\$ 1,611,516	\$ -	\$ 651,609	\$ 2,263,125
Payments from interfund services provided	9,499,686	-	12,193,263	21,692,949
Payments to vendors	(10,950,690)	(67,914)	(3,952,166)	(14,970,770)
Payments to employees	(156,224)	-	(1,482,639)	(1,638,863)
Net cash provided (used) by operating activities	<u>4,288</u>	<u>(67,914)</u>	<u>7,410,067</u>	<u>7,346,441</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Interest paid	-	-	(1,089,734)	(1,089,734)
Principal payments on bonds	-	-	(645,000)	(645,000)
Loan to Airport	-	-	(128,700)	(128,700)
Payments on behalf of business-type activities	-	-	(276,805)	(276,805)
	<u>-</u>	<u>-</u>	<u>(2,140,239)</u>	<u>(2,140,239)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	-	-	(25,198)	(25,198)
	<u>-</u>	<u>-</u>	<u>(25,198)</u>	<u>(25,198)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment interest	(4,343)	815	112,279	108,751
Investments	-	-	(3,050,245)	(3,050,245)
Net cash provided (used) by investing activities	<u>(4,343)</u>	<u>815</u>	<u>(2,937,966)</u>	<u>(2,941,494)</u>
Net increase (decrease) in cash and cash equivalents	(55)	(67,099)	2,306,664	2,239,510
Cash and cash equivalents - beginning of year	55	113,999	17,391,745	17,505,799
Cash and cash equivalents - end of year	<u>\$ -</u>	<u>\$ 46,900</u>	<u>\$ 19,698,409</u>	<u>\$ 19,745,309</u>

ST. CLAIR COUNTY, ILLINOIS
Combining Statement of Cash Flows
Internal Service Funds
(continued)
For the year ended December 31, 2017

	Employees' Medical Trust Fund	Unemployment Trust	Public Building Commission	Total
RECONCILIATION OF OPERATING				
INCOME (LOSS) TO CASH PROVIDED (USED)				
BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (2,128,876)	\$ (75,513)	5,736,875	\$ 3,532,486
Adjustments to reconcile				
Depreciation and amortization	-	-	13,134	13,134
Interest expense related to direct financing leases	-	-	1,037,399	1,037,399
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(293,761)	-	(2,359)	(296,120)
(Increase) decrease in net investment in direct leases	-	-	649,613	649,613
(Increase) decrease in due from other funds	11,397	-	-	11,397
(Increase) decrease in deferred outflows	24,197	-	244,391	268,588
Increase (decrease) in accounts payable	72,035	-	(76,953)	(4,918)
Increase (decrease) in accrued wages and related costs	(642)	7,599	(35,131)	(28,174)
Increase (decrease) in due to other funds	1,709,767	-	-	1,709,767
Increase (decrease) in other liabilities	627,886	-	-	627,886
Increase (decrease) in unearned income	(2,025)	-	(5,345)	(7,370)
Increase (decrease) in net OPEB liability	(2,621)	-	(19,538)	(22,159)
Increase (decrease) in net pension liability	(109,874)	-	(1,109,728)	(1,219,602)
Increase (decrease) in deferred inflows	96,805	-	977,709	1,074,514
Net cash provided (used) by operating activities	<u>\$ 4,288</u>	<u>\$ (67,914)</u>	<u>\$ 7,410,067</u>	<u>\$ 7,368,600</u>

SCHEDULE OF NON-CASH FINANCING AND INVESTING ACTIVITIES

Increase (decrease) in market value of investments	\$ 2	\$ 114	\$ -	\$ 116
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ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheet
Fiduciary Funds - Agency Funds
December 31, 2017

	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
ASSETS							
Cash	\$ 6,782,840	\$ 1,304,318	\$ 651,904	\$ 2,671,137	\$ -	\$ 252,236	\$ 15,160
Equity in cash and investment pool	165,543	-	-	-	108,610	-	-
Investments	-	-	-	768,286	-	-	-
Accounts receivable	-	-	-	-	-	6,164	-
Interest receivable	151	-	-	-	-	-	-
Total assets	\$ 6,948,534	\$ 1,304,318	\$ 651,904	\$ 3,439,423	\$ 108,610	\$ 258,400	\$ 15,160
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 476	\$ -	\$ -
Due to taxing districts	522,287	-	-	-	-	-	-
Held pending protested tax settlement	163,899	-	-	-	-	-	-
Funds held in escrow	6,262,348	1,304,318	651,904	3,439,423	108,134	258,400	15,160
Total liabilities	\$ 6,948,534	\$ 1,304,318	\$ 651,904	\$ 3,439,423	\$ 108,610	\$ 258,400	\$ 15,160

ST. CLAIR COUNTY, ILLINOIS
Combining Balance Sheet
Fiduciary Funds - Agency Funds
December 31, 2017

	Inheritance Tax	Condemnation Fund	Estates of Deceased Persons	County Escheat	Total
ASSETS					
Cash	\$ -	\$ -	\$ -	\$ -	\$ 11,677,595
Equity in cash and investment pool	-	889,286	83,357	8,310	1,255,106
Investments	-	-	-	-	768,286
Accounts receivable	-	-	-	-	6,164
Interest receivable	-	811	76	8	1,046
Total assets	\$ -	\$ 890,097	\$ 83,433	\$ 8,318	\$ 13,708,197
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 476
Due to taxing districts	-	-	-	-	522,287
Held pending protested tax settlement	-	-	-	-	163,899
Funds held in escrow	-	890,097	83,433	8,318	13,021,535
Total liabilities	\$ -	\$ 890,097	\$ 83,433	\$ 8,318	\$ 13,708,197

STATISTICAL SECTION

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

	2017*	2016*	2015*	2014	2013	2012	2011	2010	2009	2008
<u>Governmental activities</u>										
General government	\$ 21,441	\$ 21,899	\$ 24,226	\$ 20,903	\$ 20,934	\$ 20,991	\$ 15,549	\$ 21,451	\$ 16,133	\$ 15,976
Public safety	38,496	36,176	40,268	37,031	36,855	35,157	33,649	33,139	32,692	31,560
Judicial	12,560	12,677	14,292	14,646	14,524	14,709	12,408	11,697	11,446	10,720
Public health	10,309	11,130	11,894	12,020	12,066	11,321	11,922	14,034	12,066	12,047
Transportation	12,005	13,274	14,551	16,692	12,853	10,142	10,449	10,805	7,101	8,677
Interest on long-term debt	502	710	711	712	716	738	645	802	823	839
	95,313	95,866	105,942	102,004	97,948	93,058	84,622	91,928	80,261	79,819
<u>Business-type activities</u>										
Airport operations	19,430	18,402	17,415	16,296	16,546	15,885	15,767	18,797	19,176	20,717
	\$ 114,743	\$ 114,268	\$ 123,357	\$ 118,300	\$ 114,494	\$ 108,943	\$ 100,389	\$ 110,725	\$ 99,437	\$ 100,536

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

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

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

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

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

	2017*	2016*	2015*	2014	2013	2012	2011	2010	2009	2008
Governmental activities										
Property taxes	\$ 37,803	\$ 31,696	\$ 31,994	\$ 30,826	\$ 31,868	\$ 32,573	\$ 33,149	\$ 33,601	\$ 33,245	\$ 32,072
Sales taxes	9,673	9,461	9,277	9,055	8,848	8,868	8,803	8,594	7,303	7,760
Personal property replacement tax	2,472	2,840	2,448	2,558	2,632	2,301	2,381	2,543	2,422	2,748
State income tax	4,967	5,252	5,962	5,178	5,273	4,857	4,286	4,380	4,983	6,034
Other taxes	210	198	185	149	121	62	103	128	139	152
Charges for goods and services	29,965	25,638	26,787	26,013	25,551	27,179	24,536	25,342	25,461	25,246
Operating grants and contributions	11,297	12,982	11,518	12,548	11,814	11,215	12,591	13,686	14,263	16,744
Motor fuel tax	4,668	4,753	4,541	5,948	5,165	4,879	4,874	5,056	4,791	4,643
Capital grants and contributions	7,704	2,504	1,160	4,868	1,035	1,430	2,372	3,430	229	2,656
Earnings on investments	1,135	1,149	888	1,001	89	784	997	1,924	2,284	6,397
Miscellaneous	13	87	526	22	2	22	120	30	(18)	4
	<u>109,907</u>	<u>96,560</u>	<u>95,286</u>	<u>98,166</u>	<u>92,398</u>	<u>94,170</u>	<u>94,212</u>	<u>98,714</u>	<u>95,102</u>	<u>104,456</u>
Business-type activities										
Charges for goods and services	7,173	5,341	3,626	3,957	3,533	3,444	3,704	3,166	2,139	5,164
Operating grants and contributions	99	-	-	-	-	2	-	3,043	2,954	421
Capital grants and contributions	2,070	484	501	455	936	3,095	655	388	747	389
Earnings on investments	18	36	84	131	128	127	140	157	220	1,991
Miscellaneous	-	-	15	157	(24)	-	(17)	-	16	(630)
	<u>9,360</u>	<u>5,863</u>	<u>4,226</u>	<u>4,700</u>	<u>4,573</u>	<u>6,668</u>	<u>4,482</u>	<u>6,754</u>	<u>6,076</u>	<u>7,335</u>
	<u>\$ 119,267</u>	<u>\$ 102,423</u>	<u>\$ 99,512</u>	<u>\$ 102,866</u>	<u>\$ 96,971</u>	<u>\$ 100,838</u>	<u>\$ 98,694</u>	<u>\$ 105,468</u>	<u>\$ 101,178</u>	<u>\$ 111,791</u>

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

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues										
Property taxes	\$ 37,802,882	\$ 31,696,239	\$ 31,993,890	\$ 30,826,320	\$ 31,867,776	\$ 34,243,229	\$ 31,133,257	\$ 35,521,176	\$ 31,324,491	\$ 32,024,670
Sales tax	9,589,247	9,528,813	9,069,932	8,974,657	8,874,363	8,810,715	8,767,006	8,399,535	7,358,089	7,819,701
State income tax	5,633,293	5,365,741	5,824,243	5,233,174	5,683,703	5,006,997	4,731,444	3,808,188	4,667,969	6,279,718
Personal property replacement tax	2,610,321	2,471,792	2,789,557	2,616,008	2,541,093	2,292,186	2,287,994	2,596,425	2,408,048	2,854,381
Hotel/motel tax	-	-	949	18,612	8,486	13,384	13,830	14,338	14,884	15,086
Pari-mutuel tax	42,074	47,321	50,952	47,488	51,365	40,756	93,016	116,035	123,077	135,155
Video gaming tax	163,883	146,968	132,454	85,631	55,727	749	-	-	-	-
Motor fuel tax	4,558,743	4,733,886	4,568,263	5,959,475	5,059,252	4,878,453	4,866,442	5,048,088	4,883,073	4,620,032
Revenue from federal/state agencies	11,229,299	8,408,021	9,705,728	12,558,093	10,044,688	10,170,846	9,559,657	9,658,760	15,343,433	9,807,670
Revenue from local agencies	4,177,061	6,224,056	3,952,927	3,874,468	3,510,926	3,249,849	3,387,840	3,518,196	4,315,696	4,559,176
Licenses, permits, fines, fees, and services	23,069,660	21,691,721	22,784,395	22,076,907	22,500,280	23,899,332	20,764,141	22,513,423	22,454,045	22,263,036
Earnings on investment:	1,150,783	969,345	871,297	792,534	776,477	822,976	813,161	1,967,010	2,762,628	6,107,564
Miscellaneous revenues	42,842	38,738	572,876	63,800	40,227	53,511	186,061	921,966	63,629	310,976
	<u>\$ 100,070,088</u>	<u>\$ 91,322,641</u>	<u>\$ 92,317,463</u>	<u>\$ 93,127,167</u>	<u>\$ 91,014,364</u>	<u>\$ 93,482,983</u>	<u>\$ 86,603,849</u>	<u>\$ 94,083,140</u>	<u>\$ 95,719,062</u>	<u>\$ 96,797,166</u>
Expenditures										
General government	\$ 41,300,306	\$ 42,361,520	\$ 39,283,434	\$ 44,507,875	\$ 45,235,986	\$ 43,939,118	\$ 39,193,909	\$ 40,667,979	\$ 37,457,205	\$ 40,813,403
Public safety	22,633,468	20,410,658	24,617,570	24,978,859	22,741,234	21,941,580	21,501,870	21,237,430	28,660,663	22,051,893
Judicial	7,713,001	7,534,873	7,814,910	7,655,617	7,737,208	7,368,321	7,027,583	6,842,081	7,307,985	6,907,125
Public health	10,162,488	10,674,532	9,041,813	9,483,063	10,914,700	10,655,986	11,211,313	11,344,650	10,610,128	10,171,816
Transportation	18,051,316	11,427,007	11,322,537	11,957,253	9,716,069	11,938,356	13,262,343	9,407,154	9,314,965	12,639,138
Debt service	6,239,881	6,243,834	6,724,850	7,773,641	4,902,059	4,738,950	1,863,125	1,870,400	325,150	1,898,300
	<u>\$ 106,100,460</u>	<u>\$ 98,652,424</u>	<u>\$ 98,805,114</u>	<u>\$ 106,356,308</u>	<u>\$ 101,247,256</u>	<u>\$ 100,582,311</u>	<u>\$ 94,060,143</u>	<u>\$ 91,369,694</u>	<u>\$ 93,676,096</u>	<u>\$ 94,681,675</u>

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

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

	2017*	2016*	2015*	2014	2013	2012	2011	2010	2009	2008
Governmental activities										
Net investment in capital assets	\$ 126,017,195	\$ 121,647,109	\$ 130,726,015	\$ 126,390,280	\$ 126,366,693	\$ 125,575,053	\$ 114,976,772	\$ 107,296,887	\$ 102,997,984	\$ 93,217,282
Restricted	104,511,651	109,923,310	91,377,893	105,592,443	103,540,099	86,291,841	90,708,155	91,241,360	92,900,209	90,614,090
Unrestricted	(1,215,662)	(4,275,870)	(7,419,474)	15,509,786	29,003,724	60,396,986	68,976,893	69,767,384	69,619,435	73,764,953
Total governmental activities net position	\$ 231,313,184	\$ 227,294,549	\$ 214,684,434	\$ 247,492,509	\$ 258,910,516	\$ 271,263,880	\$ 274,661,820	\$ 268,305,631	\$ 265,517,628	\$ 257,596,325
Business-type activities										
Net investment in capital assets	\$ 86,181,075	\$ 89,754,539	\$ 87,929,218	\$ 87,480,770	\$ 95,861,298	\$ 110,057,335	\$ 102,161,775	\$ 107,043,726	\$ 110,589,303	\$ 97,855,349
Restricted	1,446,241	1,060,992	454,760	412,052	328,125	292,156	-	-	-	11,604,605
Unrestricted	(14,207,196)	(15,890,139)	(21,500,278)	(14,383,748)	(18,663,380)	(27,653,535)	(14,978,687)	(11,809,561)	(7,311,746)	-
Total business-type activities net position	\$ 73,420,120	\$ 74,935,392	\$ 66,883,700	\$ 73,509,074	\$ 77,526,043	\$ 82,695,956	\$ 87,183,088	\$ 95,234,165	\$ 103,277,557	\$ 109,459,954
Primary government										
Net investment in capital assets	\$ 214,198,270	\$ 211,401,648	\$ 218,655,233	\$ 213,871,050	\$ 222,227,991	\$ 235,632,388	\$ 217,138,547	\$ 214,340,613	\$ 213,587,287	\$ 191,072,631
Restricted	105,957,892	110,994,302	91,832,653	106,004,495	103,868,224	85,583,997	90,708,155	91,241,360	92,900,209	102,218,695
Unrestricted	(15,422,858)	(20,156,009)	(28,919,752)	1,126,038	10,340,344	32,743,451	53,998,206	57,957,823	62,307,689	73,764,953
Total primary government net position	\$ 304,733,304	\$ 302,229,941	\$ 281,568,134	\$ 321,001,583	\$ 338,436,559	\$ 353,959,836	\$ 361,844,908	\$ 363,539,796	\$ 368,795,185	\$ 367,056,279

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

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

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

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

2009 Restated for allocation of net position

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

Fiscal year extended & collected Tax year	2017 2016	2016 2015	2015 2014	2014 2013	2013 2012	2012 2011	2011 2010	2010 2009	2009 2008	2008 2007
Real property										
Estimated actual value	\$ 13,190,769	\$ 12,836,067	\$ 12,665,874	\$ 12,791,598	\$ 12,998,586	\$ 13,396,659	\$ 13,775,583	\$ 14,171,085	\$ 14,082,051	\$ 13,208,217
Locally assessed values	\$ 4,396,923	\$ 4,278,689	\$ 4,221,958	\$ 4,263,866	\$ 4,332,862	\$ 4,465,553	\$ 4,591,861	\$ 4,723,695	\$ 4,694,017	\$ 4,402,739
Equalized assessed values without railroads & TIFs	\$ 4,012,754	\$ 3,924,750	\$ 3,855,489	\$ 3,885,959	\$ 3,955,123	\$ 4,062,664	\$ 4,148,996	\$ 4,219,235	\$ 4,158,036	\$ 3,929,800
Less:										
"1790" homestead exemption Senior citizen	(337,036)	(343,279)	(356,980)	(361,940)	(367,706)	(374,647)	(375,753)	(397,721)	(359,461)	(321,333)
homestead exemption P.A. 83-533	(89,574)	(88,785)	(91,450)	(91,042)	(72,717)	(71,857)	(69,346)	(71,693)	(69,912)	(60,552)
Senior citizen freeze	(31,721)	(31,842)	(35,157)	(39,836)	(46,849)	(57,443)	(68,596)	(83,110)	(80,747)	(81)
Veteran's exemptions/freeze	(117,789)	(98,059)	(9,033)	(1,118)	(1,077)	(933)	(3,393)	(4,406)	(3,085)	(71,494)
Other exemptions	(830)	(915)	(1,000)	(1,011)	(1,012)	(1,039)	(3,208)	(3,599)	(2,163)	(1,187)
Disabled persons	(4,280)	(4,250)	(4,026)	-	-	-	-	-	-	(814)
Home improvement exemption	-	-	-	-	(32)	(218)	(372)	(470)	(569)	(731)
Billing value before railroad	3,431,524	3,357,620	3,357,843	3,391,012	3,465,730	3,556,527	3,628,164	3,658,075	3,641,911	3,473,508
State assessed railroad EAV	56,574	56,850	51,368	48,106	42,943	39,648	36,697	32,502	27,816	27,231
Total equalized real property used for taxes	\$ 3,488,098	\$ 3,414,470	\$ 3,409,211	\$ 3,439,118	\$ 3,508,673	\$ 3,596,175	\$ 3,664,861	\$ 3,690,577	\$ 3,669,727	\$ 3,500,739
TIF/Enterprise zone values	\$ 392,315	\$ 373,640	\$ 373,133	\$ 377,907	\$ 377,738	\$ 402,888	\$ 442,866	\$ 504,469	\$ 535,980	\$ 469,538
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	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund	0.2472	0.1157	0.1159	0.1124	0.1126	0.1133	0.1139	0.1166	0.1229	0.1317
Tort Fund	0.0975	0.0908	0.0910	0.0884	0.0884	0.1074	0.1103	0.1104	0.1112	0.1143
	<u>0.3447</u>	<u>0.2065</u>	<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>
Special revenues funds	0.7418	0.7320	0.7319	0.7072	0.7113	0.6925	0.6916	0.6898	0.6820	0.6660
Debt service fund	-	-	-	-	-	-	-	-	-	-
	<u>1.0865</u>	<u>0.9385</u>	<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>

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

Fiscal year extended & collected Tax year	2017 2016	2016 2015	2015 2014	2014 2013	2013 2012	2012 2011	2011 2010	2010 2009	2009 2008	2008 2007
Original extension	\$ 37,898,189	\$ 32,045,321	\$ 32,005,671	\$ 31,227,713	\$ 32,010,176	\$ 32,840,273	\$ 33,562,790	\$ 33,904,501	\$ 33,618,874	\$ 31,927,439
Billing adjustments	(20,741)	(242,269)	(133,121)	(111,789)	(201,236)	(219,150)	(191,947)	(282,658)	(258,721)	(179,444)
Final Extension	37,877,448	31,803,052	31,872,550	31,115,924	31,808,940	32,621,123	33,370,843	33,621,843	33,360,153	31,747,995
Collections	37,517,378	31,608,599	31,690,596	30,668,002	31,680,845	32,308,804	33,027,629	33,445,423	33,226,527	31,613,647
Taken by County Trustee/forfeited	\$ 360,070	\$ 194,453	\$ 181,954	\$ 447,922	\$ 128,095	\$ 312,319	\$ 343,214	\$ 176,420	\$ 133,626	\$ 134,348
Percent collected	99.05%	99.39%	99.43%	98.56%	99.60%	99.04%	98.97%	99.48%	99.60%	99.58%
Back taxes collected*	\$ 90,143	\$ (12,927)	\$ 144,914	\$ (26,717)	\$ (24,002)	\$ (1,047)	\$ 48,701	\$ (199,409)	\$ (148,940)	\$ 355,575

*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. Back taxes refunds in excess of those collected are refunded from current year taxes.