New Issue
Date of Sale: Wednesday, August 19, 2015
10:15 - 10:30 A.M., C.D.T.
(Open Speer Auction)

Investment Rating:
Moody's Investors Service ... Aa2

Preliminary Official Statement Dated August 7, 2015

The delivery of the Bonds is subject to the opinion of Katten Muchin Rosenman LLP, Bond Counsel, to the effect that under existing law, interest on the Bonds is not includable in the gross income of the owners thereof for federal income tax purposes and that, assuming continuing compliance with the applicable requirements of the Internal Revenue Code of 1986, interest on the Bonds will continue to be excluded from the gross income of the owners thereof for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of computing individual or corporate alternative minimum taxable income, but must be taken into account as earnings and profits of a corporation when computing, for example, corporate minimum taxable income for purposes of the corporate alternative minimum tax. See ***"TAX MATTERS"*** *herein. The Bonds are designated "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See* ***"QUALIFIED TAX-EXEMPT OBLIGATIONS"*** *herein.*

$3,280,000*

THE COUNTY OF BOONE, ILLINOIS

General Obligation Refunding Bonds, Sales Tax Alternate Revenue Source, Series 2015A

Dated Date of Delivery **Book-Entry** **Bank Qualified** **Due Serially December 15, 2016-2028**

The $3,280,000* General Obligation Refunding Bonds, Sales Tax Alternate Revenue Source, Series 2015A (the "Bonds"), are being issued by The County of Boone, Illinois (the "County"). Interest on the Bonds is payable semiannually on June 15 and December 15 of each year, commencing December 15, 2015. The Bonds will be issued using a book-entry system. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers. The Bonds will mature on December 15, in the following years and amounts. Interest is calculated based on a 360-day year of twelve 30-day months.

AMOUNTS*, MATURITIES, INTEREST RATES, PRICES OR YIELDS AND CUSIP NUMBERS(1)

Principal Amount*	Due Dec. 15	Interest Rate	Yield or Price	CUSIP Number(1)	Principal Amount*	Due Dec. 15	Interest Rate	Yield or Price	CUSIP Number(1)
$ 50,000	2016	____%	____%	_____	$270,000	2023	____%	____%	_____
240,000	2017	____%	____%	_____	275,000	2024	____%	____%	_____
240,000	2018	____%	____%	_____	285,000	2025	____%	____%	_____
245,000	2019	____%	____%	_____	290,000	2026	____%	____%	_____
250,000	2020	____%	____%	_____	300,000	2027	____%	____%	_____
260,000	2021	____%	____%	_____	310,000	2028	____%	____%	_____
265,000	2022	____%	____%	_____					

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

OPTIONAL REDEMPTION

Bonds due December 15, 2016-2024, inclusive, are non-callable. Bonds due December 15, 2025-2028, inclusive, are callable in whole or in part on any date on or after December 15, 2024, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the County and within any maturity by lot. See **"OPTIONAL REDEMPTION"** herein.

PURPOSE, LEGALITY AND SECURITY

The proceeds of the Bonds will be used to advance refund a portion of the outstanding General Obligation Alternate Bonds (Sales Tax Alternate Revenue Source), Series 2008A, and to pay the costs of issuance of the Bonds. See "**PLAN OF FINANCING**" herein.

The Bonds are payable as to principal and interest from: (a) County's receipts of certain sales tax revenues, and (b) ad valorem taxes levied against all taxable property within the County without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. See **"DESCRIPTION OF THE BONDS"** herein.

This Official Statement is dated August 7, 2015, and has been prepared under the authority of the County. An electronic copy of this Official Statement is available from the www.speerfinancial.com web site under "Debt Auction Center/Official Statements Sales Calendar/Competitive". Additional copies may be obtained from Mr. Kenneth Terrinoni, County Administrator, The County of Boone, 1212 Logan Ave., Suite 102, Belvidere, Illinois 61008, or from the Independent Public Finance Consultants to the County:

Speer Financial, Inc.
INDEPENDENT MUNICIPAL ADVISORS • ESTABLISHED 1954
ONE NORTH LASALLE STREET, SUITE 4100 • CHICAGO, ILLINOIS 60602
Telephone: (312) 346-3700; Facsimile: (312) 346-8833
www.speerfinancial.com

**Subject to change.*

(1) CUSIP numbers appearing in this Official Statement have been provided by the CUSIP Service Bureau, which is managed on behalf of the American Bankers Association by S&P Capital IQ, a part of McGraw Hill Financial Inc. The County is not responsible for the selection of CUSIP numbers and makes no representation as to their correctness on the Bonds or as set forth on the cover of this Official Statement.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the County from time to time (collectively, the "Official Statement"), may be treated as an Official Statement with respect to the Bonds described herein that is deemed near final as of the date hereof (or the date of any such supplement or correction) by the County.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Bonds, together with any other information required by law or deemed appropriate by the County, shall constitute a "Final Official Statement" of the County with respect to the Bonds, as that term is defined in Rule 15c2-12. Any such addendum or addenda shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference. Alternatively, such final terms of the Bonds and other information may be included in a separate document entitled "Final Official Statement" rather than through supplementing the Official Statement by an addendum or addenda.

No dealer, broker, salesman or other person has been authorized by the County to give any information or to make any representations with respect to the Bonds other than as contained in the Official Statement or the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the County. Certain information contained in the Official Statement and the Final Official Statement may have been obtained from sources other than records of the County and, while believed to be reliable, is not guaranteed as to completeness. THE INFORMATION AND EXPRESSIONS OF OPINION IN THE OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COUNTY SINCE THE RESPECTIVE DATES THEREOF.

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement or the Final Official Statement they will be furnished on request. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

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OFFICIAL BID FORM
OFFICIAL NOTICE OF SALE

BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Official Statement, including the Official Notice of Sale and the Official Bid Form, which are provided for the convenience of potential investors and which should be reviewed in their entirety by potential investors.

Issuer:	The County of Boone, Illinois.
Issue:	$3,280,000* General Obligation Refunding Bonds, Sales Tax Alternate Revenue Source, Series 2015A.
Dated Date:	Date of delivery (expected to be on or about September 16, 2015).
Interest Due:	Each June 15 and December 15, commencing December 15, 2015.
Principal Due:	Serially each December 15, commencing December 15, 2016 through 2028, as detailed on the front page of this Official Statement.
Optional Redemption:	Bonds maturing on or after December 15, 2025, are callable at the option of the County on any date on or after December 15, 2024, at a price of par plus accrued interest. See **"OPTIONAL REDEMPTION"** herein.
Authorization:	The Bonds are authorized by the Counties Code of the State of Illinois, as supplemented and amended, and in particular as supplemented by the Local Government Debt Reform Act of the State of Illinois, as amended (the "Debt Reform Act").
Security:	The Bonds are payable as to principal and interest from: (a) County's receipts of certain sales tax revenues, and (b) ad valorem taxes levied against all taxable property within the County without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. See **"DESCRIPTION OF THE BONDS"** herein.
Investment Rating:	The Bonds are rated "Aa2" by Moody's Investors Service, New York, New York. See **"INVESTMENT RATING"** herein.
Purpose:	The proceeds of the Bonds will be used to advance refund a portion of the outstanding General Obligation Alternate Bonds (Sales Tax Alternate Revenue Source), Series 2008A, and to pay the costs of issuance of the Bonds. See "**PLAN OF FINANCING**" herein.
Tax Matters:	Katten Muchin Rosenman LLP, Chicago, Illinois, will provide an opinion as to the tax exemption of the Bonds as discussed under **"TAX MATTERS"** in this Official Statement. Interest on the Bonds is not exempt from present State of Illinois income taxes
Bank Qualification:	The Bonds have been designated "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See **"QUALIFIED TAX-EXEMPT OBLIGATIONS"** herein.
Bond Registrar/Paying Agent/ Escrow Agent:	The Bank of New York Mellon Trust Company, N.A., Chicago, Illinois.
Verification Agent:	Sikich, LLP, Naperville, Illinois.
Delivery:	The Bonds are expected to be delivered on or about September 16, 2015.
Book-Entry Form:	The Bonds will be registered in the name of Cede & Co. as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository of the Bonds. See **APPENDIX B** herein.
Denomination:	$5,000 or integral multiples thereof.
Municipal Advisor:	Speer Financial, Inc., Chicago, Illinois.

**Subject to change.*

THE COUNTY OF BOONE, ILLINOIS

County Board Members

Bob Walberg
Chairman

Paul A. Larson
Vice Chairman

Sherry Branson
Jeffrey Carlisle
Denny Ellingson

Kenneth E. Freeman
Sherry Giesecke
Karl Johnson
Raymond Larson

Craig Schultz
Brad Stark
Catherine Ward

Officials

Mary S. Steurer
County Clerk & Recorder

Curtis P. Newport
Treasurer

Michelle Courier
State's Attorney

Kenneth Terrinoni
County Administrator

DESCRIPTION OF THE BONDS

Security: Alternate Revenue Sources and Tax Levy

The General Obligation Refunding Bonds, Sales Tax Alternate Revenue Source, Series 2015A (the "Bonds") are payable both as to principal and interest from: (a) certain sales tax revenues received by The County of Boone, Illinois (the "County"), including the Retailers' Occupation, Service Occupation and Service Use Tax (the "Pledged Revenues") and (b) ad valorem taxes levied against all of the taxable property within the County without limitation as to rate or amount (the "Pledged Taxes"). Pursuant to the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350 (the "Debt Reform Act"), the County will pledge such monies to the payment of Bonds and shall covenant to provide for and apply such Pledged Revenues to the payment of Bonds and the provision of not less than an additional 0.25 times debt service, which pledge and covenant shall constitute a continuing obligation of the County and continuing appropriation of the amounts received. For the prompt payment of the Bonds, the full faith, credit and resources of the County are irrevocably pledged.

Highlights of Alternate Bonds

Section 15 of the Debt Reform Act provides that whenever revenue bonds have been duly authorized, a local government unit may issue its general obligation bonds in lieu of such revenue bonds as authorized, and such general obligation bonds may be referred to as "alternate bonds." The Debt Reform Act also provides that whenever there exists an alternate revenue source, a local government unit may issue alternate bonds. Such bonds are general obligation debt payable from the pledged alternate revenues with the general obligation of the issuer acting as back-up security. The Debt Reform Act prescribes several conditions that must be met before alternate bonds may be issued.

First, alternate bonds must be issued for a lawful corporate purpose. If issued in lieu of revenue bonds, the alternate bonds must be authorized under applicable law. Alternate bonds may be issued payable from either enterprise revenues or other revenue sources, or both.

Second, the question of issuance must be submitted to referendum if, within thirty (30) days after publication of an authorizing ordinance and notice of intent to issue alternate bonds, a petition signed by the greater of (i) 7.5% of the registered voters in the government unit; or (ii) 200 of those registered voters or 15% of those registered voters, whichever is less, is filed. No legally sufficient petition was filed in connection with the Series 2008A Bonds, and accordingly the County is now authorized to issue the Bonds to refund the Series 2008A Bonds.

Third, the issuer must determine that the pledged revenue source or sources are sufficient in each year to final maturity to provide not less than 1.25 times debt service of the proposed alternate bonds (1.10 times debt service at the option of the issuer if the revenue source is a governmental revenue source) and all other outstanding alternate Bonds of the issuer payable from the same revenue source. To the extent payable from one or more revenue sources, such sources shall have been determined by the governing body to provide in each year an amount not less than 1.25 times debt service on all alternate bonds (1.10 times debt service at the option of the issuer if the revenue source is a governmental revenue source) payable from such revenue sources previously issued and outstanding and the alternate bonds proposed to be issued. The issuer must in fact pledge and covenant to provide for, collect and apply the pledged alternate enterprise revenues or revenue source(s).

Refunding Alternate Bonds

Section 15 of the Debt Reform Act, provides that alternate bonds may be issued to refund or advance refund alternate bonds without meeting any of the conditions set forth in such section that would otherwise apply (see "Highlights of Alternate Bonds" above), if the term of the refunding bonds is no longer than the term of the refunded bonds and the debt service payable on the refunding bonds in each year is no more than the debt service payable in such year on the refunded bonds. The terms of the Bonds meet the exceptions described in the immediately preceding sentence, therefore, the conditions otherwise described in Section 15 of the Debt Reform Act will not need to be met in connection with the issuance of the Bonds.

Abatement of Pledged Taxes

The County will abate the tax levy annually upon timely receipt of Pledged Revenues in the appropriate levy amount. **The County pledges to abate the levy for the Bonds only upon full funding of the Bond Fund in the appropriate levy amount.**

Debt Service Fund

The County will deposit the appropriate Pledged Revenues and the Pledged Taxes into a separate Debt Service Fund, which is a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the County by the Bond Ordinance. The Bonds are secured by a pledge of all of the monies on deposit in the Debt Service Fund, and such pledge is irrevocable until the Bonds have been paid in full or until the obligations of the County are discharged under the Bond Ordinance.

Certain Risk Factors

The ability of the County to pay the Bonds from the Pledged Revenues may be limited by circumstances beyond the control of the County. There is no guarantee that the Pledged Revenues will continue to be available at current levels.

To the extent that Pledged Revenues may be insufficient to pay the Bonds, the Bonds are to be paid from the Pledged Taxes. If the Pledged Taxes are ever extended for the payment of the Bonds, the amount of the Bonds then outstanding will be included in the computation of indebtedness of the County for purposes of all statutory provisions or limitations until such time as an audit of the County shows that the Bonds have been paid from the Pledged Revenues for a complete fiscal year.

THE COUNTY

Overview

The County, established in 1837, encompasses an area of 282 square miles and is located in north central Illinois, approximately 75 northwest of the Chicago "Loop" business district and approximately 100 miles southwest of the City of Milwaukee. The County is bounded by Wisconsin, consisting of Rock and Walworth Counties, on the north, Ogle and DeKalb Counties on the south, McHenry County on the east and Winnebago County on the west. The population is 54,165 according to the 2010 Census. This represents a 29.6% increase over the 2000 Census figure of 41,786. The County seat is the City of Belvidere (the "City"), with approximately 47% of the County's population. According to the 2010 Census over 60% of the County's population lives in incorporated cities and villages and the remainder live in unincorporated areas. The cities and villages and their respective population and percent of the County are as follows:

Cities and Villages in The County

	2000 Census		2010 Census	
	Population	Percent	Population	Percent
City of Belvidere	20,820	49.8%	25,585	47.2%
Garden Prairie Village*	N/A	0.0%	352	0.6%
Village of Calendonia	199	0.5%	197	0.4%
Village of Capron	961	2.3%	1,376	2.5%
City of Loves Park (part)	54	0.1%	1,586	2.9%
Village of Cherry Valley (part)	N/A	0.0%	347	0.6%
Village of Poplar Grove	1,368	3.3%	5,023	9.3%
Village of Timberlane	234	0.6%	934	1.7%
Total Incorporated Places	23,636	56.6%	35,400	65.2%
Unincorporated Area	18,150	43.4%	18,765	34.8%
County Population	41,786	100.0%	54,165	100.0%

* Currently an unincorporated area.

The governing body of the County is the 12-member County Board. The County is divided into three districts, each with four members elected at large. The County Board Chairman and Vice Chairman are elected every two years by the Board. The County Board's primary functions include establishing budgets for the various County funds, levying taxes for County purposes, and adopting all ordinances and rules pertaining to the management of the County departments. The County adopted a modern administrative organizational structure by creating the position of County Administrator in 1977. Only four professionals have occupied the position since its creation. The County Administrator reports directly to the 12 member Board. The County Administrator is responsible for budget preparation, labor negotiations, financial/accounting management, Human Resources, Information Technology, Homeland Security, intergovernmental programs with the City (such as the joint Public Safety Building, Building and Planning Department, the landfill closing and continued maintenance of the closed landfill), environmental compliance issues, purchasing, and any administrative tasks associated with operating a unit of local government.

The County employs a total of 263 employees including 204 full-time and 59 part-time personnel. Major departments include the Sheriff's Department with 38 full-time and 13 part-time staff, Corrections Department with 37 full-time staff, Circuit Clerk with 22 full-time and five part-time staff and State's Attorney with 14 full-time staff.

Approximately 115 full-time employees are represented by unions with collective bargaining agreements. The County has a history of balancing the rights of those employees desiring collective bargaining and those seeking no union representation. No strike, slowdown or work stoppage has occurred to date against the County Government, however the dispute resolution procedure of Interest Arbitration has recently been used for contracts with the Deputy and Corrections units in 2009 and 2012 respectively. Departments with union representation include Sheriff's Deputies, Corrections Officers, 911 dispatchers, Circuit Clerk's, Building, Highway, and Animal Control. Approximately 72 full time employees are not represented by unions. Although concessions are difficult to obtain in this environment the County has been successful in reducing expenditures by having voluntary unpaid days, a retirement incentive program, historically low wage settlements on the 0%-1.5% range, and health insurance contributions generally around 14% for family coverage and 25% for single coverage. Most recent collective bargaining agreements have been settled in the 2.0%-2.5% range without resorting to Interest Arbitration.

The City and the County together constructed the Public Safety Building in 1975. The facility continues to be used by the only two law enforcement agencies protecting the County. The building also houses the emergency 911 center and the morgue facility.

The 78-bed County Nursing Home, which was constructed in 1970/71 was privatized (it is leased to a private corporation) as of February 1, 1999, which action removed approximately $350,000 of annual retirement related expenses previously supported by the FICA/IMRF levies. Also, the County was relieved of workmen's compensation expenses. The County is also receiving approximately $100,000 per year in rent payments. The current lease was extended in 2011 to the year 2044. Also, in late 2011 the County successfully transitioned the tenant from Ashburton Grove LLC to the Symphony M.L. LLC. The County also successfully negotiated the development of a 120 bed senior supportive living center on County property adjacent to the nursing home.

The County Courthouse and Records Building was improved by the project funded in part by the Public Building Commission's Series 1985 Bonds (the Commission's bonded debt was fully retired on December 1, 1996). In 2008 the County successfully sold bonds, Series A and Series B, to finance a remodel of the Courthouse which added one courtroom and associated office/jury assembly space, and as part of the same project added on a building under ownership of the County to house all non-court departments. Due to an excellent bidding climate and conservative expenditures of funds, the Series 2008 B bonds were paid in full in December, 2011.

Proceeds of the Series 1999 Bonds were used to construct an addition to the County Jail, which was originally built in 1975 to accommodate 24 detainees. The addition added 44,000 square feet and the capacity was increased to 150 detainees. The County received referendum approval on April 13, 1999 for a one-half percent (.50%) increase in the County-wide local sales tax for "crime prevention, detention, and other public safety purposes".

Recreational Facilities

The Boone County Conservation District provides 1,700 acres of parks, trails and preserves for County residents. Some 900 acres in the Kishwaukee River Valley include 800 acres in picnic areas and parks, 30 miles of hiking, biking trails and the 15 mile Long Prairie Trail. The Belvidere Park District provides additional recreational opportunities for County residents including the 105 acre Belvidere Park. Facilities include an outdoor swimming pool, tennis, sand volleyball, basketball courts, baseball diamonds and fishing pier. The district also maintains the two mile Kishwaukee Riverfront Path and a public boat launch.

Educational Facilities

The majority of County residents are served by Belvidere Community Unit School District Number 100 whose boundaries encompass 159 square miles and serves pupils in Boone, DeKalb and McHenry Counties. Facilities include seven elementary schools, two middle schools, two high schools and one early childhood center. Enrollment for the 2014/2015 school year was 8,073. In addition North Boone Community Unit School District Number 200 serves County residents. Facilities include three elementary schools (grades K-4 including one with a pre-kindergarten facility), one upper elementary (grades 5-6), one middle school and one high school. Enrollment for the 2014/2015 school year was 1,634.

Northern Illinois University ("NIU") has its main 756 acre campus in DeKalb, Illinois, approximately 20 miles south of the City and provides higher educational opportunities to County residents. NIU has an enrollment of approximately 21,000 and employs approximately 3,500, including a faculty of 1,185. NIU also has an education center in Rockford, approximately five miles west of the City.

Transportation

Interstate 90 Northwest Tollway traverses the County. In addition numerous state roads are available. The Greater Rockford Airport in adjacent Winnebago County is a full service 24-hour airport and is available to County residents.

SOCIOECONOMIC INFORMATION

Following is a list of major employers located in the County and in the surrounding area.

Major County Employers*(1)*

Employer	Business/Service	Approximate Employment
FCA US, LLC	Automotive Assembly Plant	4,887
General Mills, Inc.	Frozen Food and Cereal	700
R&D Thiel	Roof and Floor Trusses, Wall Panels and Prepackaged Floor Decks	350
Boone County	Government	263
Acument Global Technologies Camcar, LLC	Cold Formed Fasteners and High Performance Thread Forming	200
International Automotive Components	Motor Vehicle Parts and Accessories	200
Grupo Antolin Illinois	Motor Vehicle Parts and Accessories	180
Northwest Pallet Supply	Rebuilt Wooden Pallets	170
PV Services Group, LLC	Software Development	150
Belvedere USA, LLC	Beauty Salon Equipment	130
Dean Foods, Co.	Ice Cream and Frozen Desserts	100
Franklin Display Group	Wire Products and Displays	95

Notes: (1) Source: 2015 Illinois Manufacturers Directory, 2015 Illinois Services Directory and a selective telephone survey.

Major Area Employers*(1)*

Location(2)	Employer	Business/Service	Approximate Employment
Rockford	Swedish American Hospital	Hospital	2,600
Rockford	Rockford Memorial Health	Hospital	2,500
Rockford	OSF Saint Anthony Medical Center	Hospital	2,000
Rockford	United Technologies Aerospace Systems	Aerospace Products and Controlled Speed Motors	2,000
Freeport	FNH Memorial Hospital	Hospital	1,490
Loves Park	Woodward, Inc.	Aircraft Engine Control Systems	1,200
Rockford	Greenlee, A Textron Co.	Electrical, Utility and Communication Tools	1,000
Loves Park	Mondelez International, Inc.	Chewing Gum	750
Rochelle	Rochelle Foods, Inc.	Food Processing	750
Freeport	Titan Tire Corp.	Agricultural Tires	700
Freeport	Honeywell Sensing & Control	Electromechanical Switches	650
Rockford	Rosecrance Health Network	Addiction Treatment and Mental Health Services	600
Rockford	Ingersoll Cutting Tools	Metalworking Machinery	500
Rochelle	Nippon Sharyo Mfg, LLC.	Railroad Cars and Locomotives	490
Rockford	Bergstron, Inc.	Truck Heating and Cooling Equipment	450

Notes: (1) Source: 2015 Illinois Manufacturer's Directory, 2015 Illinois Services Directory, the Rockford Area Council of 100, the Illinois Department of Commerce and Economic Activity, and a selected telephone survey.

The following tables show employment by industry and by occupation for the County and the State of Illinois (the "State") as reported by the U.S. Census Bureau American FactFinder 2009-2013 American Community Survey ("ACS").

Employment By Industry*(1)*

	The County		The State	
Classification	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing and Hunting, and Mining	373	1.6%	63,113	1.1%
Construction	2,087	8.7%	310,368	5.2%
Manufacturing	5,350	22.4%	756,029	12.6%
Wholesale Trade	898	3.8%	184,209	3.1%
Retail Trade	2,784	11.7%	655,654	10.9%
Transportation and Warehousing, and Utilities	1,529	6.4%	348,569	5.8%
Information	394	1.6%	126,311	2.1%
Finance and Insurance, and Real Estate and Rental and Leasing	1,305	5.5%	447,732	7.5%
Professional, Scientific, and Management, and Administrative and Waste Management Services	1,836	7.7%	666,163	11.1%
Educational Services and Health Care and Social Assistance	4,393	18.4%	1,379,821	23.0%
Arts, Entertainment and Recreation and Accommodation and Food Services	1,420	5.9%	538,646	9.0%
Other Services, Except Public Administration	1,021	4.3%	286,928	4.8%
Public Administration	501	2.1%	234,777	3.9%
Total	23,891	100.0%	5,998,320	100.0%

Note: (1) Source: U. S. Bureau of the Census, American Community Survey, 2009-2013 estimates.

Employment By Occupation*(1)*

	The County		The State	
Classification	Number	Percent	Number	Percent
Management, Business, Science and Arts	6,839	28.6%	2,183,077	36.4%
Service	3,135	13.1%	1,036,503	17.3%
Sales and Office	6,126	25.6%	1,509,578	25.2%
Natural Resources, Construction, and Maintenance	2,622	11.0%	444,958	7.4%
Production, Transportation, and Material Moving	5,169	21.6%	824,204	13.7%
Total	23,891	100.0%	5,998,320	100.0%

Note: (1) Source: U. S. Bureau of the Census, American Community Survey, 2009-2013 estimates.

Annual Average Unemployment Rates*(1)*

Calendar Year	The County	The State
2006	5.5%	4.5%
2007	5.1%	5.0%
2008	9.3%	6.3%
2009	15.4%	10.2%
2010	13.8%	10.4%
2011	11.8%	9.7%
2012	10.4%	9.0%
2013	10.2%	9.1%
2014	7.9%	7.1%
2015 (2)	7.0%	6.3%

Notes: (1) Source: Illinois Department of Employment Security.
(2) Preliminary rates for the month of March 2015.

Housing

ACS estimates that the median home value of the County's owner-occupied homes was $158,800, which compares with $182,300 for the State. The ACS estimated market value of specified owner-occupied units for the County and the State was as follows:

Specified Owner-Occupied Units*(1)*

	The County		The State	
Value	Number	Percent	Number	Percent
Under $50,000	971	6.6%	235,268	7.3%
$50,000 to $99,999	1,878	12.7%	493,044	15.3%
$100,000 to $149,999	3,915	26.4%	504,066	15.7%
$150,000 to $199,999	2,738	18.5%	538,003	16.7%
$200,000 to $299,999	3,116	21.0%	692,499	21.5%
$300,000 to $499,999	1,697	11.5%	513,968	16.0%
$500,000 to $999,999	357	2.4%	196,905	6.1%
$1,000,000 or more	131	0.9%	46,285	1.4%
Total	14,803	100.0%	3,220,038	100.0%

Note: (1) Source: U. S. Bureau of the Census, American Community Survey, 2009-2013 estimates.

Mortgage Status*(1)*

	The County		The State	
Classification	Number	Percent	Number	Percent
Housing Units with a Mortgage	11,043	74.6%	2,190,976	68.0%
Housing Units without a Mortgage	3,760	25.4%	1,029,062	32.0%
Total	14,803	100.0%	3,220,038	100.0%

Note: (1) Source: U. S. Bureau of the Census, American Community Survey, 2009-2013 estimates.

Income

ACS estimates that the County's median family income was $67,049. This compares to $70,344 for the State. The following table represents the estimated distribution of family incomes for the County and the State by ACS.

Family Income*(1)*

	The County		The State	
Income	Number	Percent	Number	Percent
Under $10,000	739	5.3%	137,093	4.4%
$10,000 to $14,999	302	2.2%	84,866	2.7%
$15,000 to $24,999	867	6.2%	225,548	7.2%
$25,000 to $34,999	1,061	7.6%	257,251	8.2%
$35,000 to $49,999	1,839	13.1%	381,248	12.2%
$50,000 to $74,999	3,225	23.0%	583,037	18.6%
$75,000 to $99,999	2,247	16.0%	470,717	15.0%
$100,000 to $149,999	2,250	16.0%	553,739	17.7%
$150,000 to $199,999	836	6.0%	222,115	7.1%
$200,000 or more	676	4.8%	220,748	7.0%
Total	14,042	100.0%	3,136,362	100.0%

Note: (1) Source: U. S. Bureau of the Census, American Community Survey, 2009-2013 estimates.

ACS estimates that the County's median household income was $60,893. This compares to $56,797 for the State. The following table represents the estimated distribution of household incomes for the County and the State by ACS.

Household Income*(1)*

	The County		The State	
Income	Number	Percent	Number	Percent
Under $10,000	1,011	5.6%	337,875	7.1%
$10,000 to $14,999	712	4.0%	219,468	4.6%
$15,000 to $24,999	1,527	8.5%	484,449	10.2%
$25,000 to $34,999	1,595	8.9%	462,771	9.7%
$35,000 to $49,999	2,377	13.3%	618,005	12.9%
$50,000 to $74,999	3,939	22.0%	856,630	17.9%
$75,000 to $99,999	2,611	14.6%	615,943	12.9%
$100,000 to $149,999	2,489	13.9%	667,146	14.0%
$150,000 to $199,999	894	5.0%	255,728	5.4%
$200,000 or more	783	4.4%	254,708	5.3%
Total	17,938	100.0%	4,772,723	100.0%

Note: (1) Source: U. S. Bureau of the Census, American Community Survey, 2009-2013 estimates.

Retail Activity

Following is a summary of the County's sales tax receipts as collected and disbursed by the State as well as the Public Safety Sales Tax receipts.

Retailers' Occupation, Service Occupation and Use Tax*(1)*

State Fiscal Year Ending June 30	County Tax (CT)	County Sales Tax (CST)	County Public Safety Tax (CTPS)	Total State Sales Tax Distributions	Annual Percent Change + (-)
2005	$799,488	$ 921,783	$1,393,344	$3,114,615	28.21%(3)
2006	887,696	1,031,280	1,574,070	3,493,046	12.15%(4)
2007	900,412	995,335	1,549,230	3,444,977	(1.38%)(4)
2008	897,630	1,009,350	1,640,638	3,547,618	2.98%(4)
2009	772,467	927,212	1,546,579	3,246,258	(8.49%)(4)
2010	632,923	772,506	1,310,476	2,715,905	(16.34%)(4)
2011	638,611	783,053	1,326,799	2,748,463	1.20%(4)
2012	594,061	839,580	1,426,564	2,860,206	4.07%(4)
2013	606,724	868,797	1,479,778	2,955,299	3.32%
2014	654,365	857,365	1,450,690	2,962,419	0.24%
Growth from 2005 to 2014					(4.89%)

Notes: (1) Source: Illinois Department of Revenue.
(2) Tax distributions are based on records of the Illinois Department of Revenue relating to the 1% municipal portion of the Retailers' Occupation, Service Occupation and Use Tax, collected on behalf of the County, less a State administration fee. The municipal 1% includes tax receipts from the sale of food and drugs which are not taxed by the State.
(3) The 2005 percentage is based on a 2004 sales tax of $2,429,289.
(4) Not directly comparable to years prior to 2006. Based on Standard Industrial Classification.

PLAN OF FINANCING

The proceeds of the Bonds will be used: (i) to advance refund a portion of the outstanding General Obligation Alternate Bonds (Sales Tax Alternate Revenue Source), Series 2008A, as listed below (the "Refunded Bonds"), and (ii) to pay the costs of issuance of the Bonds.

General Obligation Alternate Bonds (Sales Tax Alternate Revenue Source), Series 2008A

Maturities	Outstanding Amount	Refunded Amount(1)	Redemption Price(s)	Redemption Date(1)	CUSIIPs (7) (Base: 098671)
12/15/2015	$ 185,000	$ 0	NA	NA	BT6
12/15/2016	180,000	0	NA	NA	BU3
12/15/2017	190,000(2)	(190,000)	100.00%	12/15/2016	
12/15/2018	200,000	(200,000)	100.00%	12/15/2016	BW9
12/15/2019	210,000(3)	(210,000)	100.00%	12/15/2016	
12/15/2020	220,000(3)	(220,000)	100.00%	12/15/2016	
12/15/2021	235,000	(235,000)	100.00%	12/15/2016	BZ2
12/15/2022	245,000(4)	(245,000)	100.00%	12/15/2016	
12/15/2023	255,000(4)	(255,000)	100.00%	12/15/2016	
12/15/2024	270,000	(270,000)	100.00%	12/15/2016	CC2
12/15/2025	285,000(5)	(285,000)	100.00%	12/15/2016	
12/15/2026	295,000	(295,000)	100.00%	12/15/2016	CE8
12/15/2027	310,000(6)	(310,000)	100.00%	12/15/2016	
12/15/2028	325,000	(325,000)	100.00%	12/15/2016	CG3
Total.....	$3,405,000	$(3,040,000)			

Notes:
(1) Subject to change.
(2) Mandatory redemption of the term bond due December 15, 2018.
(3) Mandatory redemption of the term bond due December 15, 2021.
(4) Mandatory redemption of the term bond due December 15, 2024.
(5) Mandatory redemption of the term bond due December 15, 2026.
(6) Mandatory redemption of the term bond due December 15, 2028.
(7) CUSIP numbers appearing in this Official Statement have been provided by the CUSIP Service Bureau, which is managed on behalf of the American Bankers Association by S&P Capital IQ, a part of McGraw Hill Financial Inc. The County is not responsible for the selection of CUSIP numbers and makes no representation as to their correctness on the Bonds or as set forth on the cover of this Official Statement.

The Bond proceeds will be used to purchase direct full faith and credit obligations of the United States of America (the "Government Securities"), the principal of which together with interest to be earned thereon will be sufficient (i) to pay when due the interest on the Refunded Bonds as stated above, and (ii) to pay principal of the Refunded Bonds on their respective redemption or maturity dates as stated above. The remaining bond proceeds will be used to pay the costs of issuing the Bonds.

The Government Securities will be held in an escrow account created pursuant to an escrow agreement (the "Escrow Agreement") between the County and The Bank of New York Mellon Trust Company, N.A., Chicago, Illinois, as Escrow Agent (the "Escrow Agent").

The accuracy of (a) the mathematical computations regarding the adequacy of the maturing principal of and interest earnings on the Government Securities together with an initial cash deposit in the Escrow Account to pay the debt service described above on the Refunded Bonds, and (b) the mathematical computations supporting the conclusion that the Bonds are not "arbitrage bonds" under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") will be verified by Sikich, LLP, Naperville, Illinois (the "Verification Agent"). Such verification shall be based upon information supplied by the Underwriter (as hereinafter defined).

DEBT INFORMATION

After issuance of the Bonds and the refunding of the Refunded Bonds, the County will have outstanding $6,495,000* principal amount of general obligation debt. The County does not intend to issue additional general obligation debt in 2015.

General Obligation Bonded Debt*(1)*
(Principal Only)

Year	Series 2008A (12-1)	Series 2012 (12-15)	Series 2015 (12-1)	The Bonds(3) (12-15)	Less: The Refunded Bonds(3)	Total(3)	Cumulative Retirement Amount	Cumulative Retirement Percent
2015	$ 185,000	$ 520,000	$130,000	$ 0	$ 0	$ 835,000	$ 835,000	12.86%
2016	180,000	540,000	270,000	50,000	0	1,040,000	1,875,000	28.87%
2017	190,000(2)	550,000	270,000	240,000	(190,000)	1,060,000	2,935,000	45.19%
2018	200,000	570,000	0	240,000	(200,000)	810,000	3,745,000	57.66%
2019	210,000(2)	0	0	245,000	(210,000)	245,000	3,990,000	61.43%
2020	220,000(2)	0	0	250,000	(220,000)	250,000	4,240,000	65.28%
2021	235,000	0	0	260,000	(235,000)	260,000	4,500,000	69.28%
2022	245,000(2)	0	0	265,000	(245,000)	265,000	4,765,000	73.36%
2023	255,000(2)	0	0	270,000	(255,000)	270,000	5,035,000	77.52%
2024	270,000	0	0	275,000	(270,000)	275,000	5,310,000	81.76%
2025	285,000(2)	0	0	285,000	(285,000)	285,000	5,595,000	86.14%
2026	295,000	0	0	290,000	(295,000)	290,000	5,885,000	90.61%
2027	310,000(2)	0	0	300,000	(310,000)	300,000	6,185,000	95.23%
2028	325,000	0	0	310,000	(325,000)	310,000	6,495,000	100.00%
Total	$3,405,000	$2,180,000	$670,000	$3,280,000	$(3,040,000)	$6,495,000		

Notes: (1) Source: The County.
(2) Sinking fund redemptions.
(3) Subject to change.

Legal Debt Margin*(1)*

2014 Equalized Assessed Valuation	$874,797,758	
Statutory Debt Limitation (2.875% of EAV)		$25,150,436
General Obligation Bonded Debt:		
Series 2008A	$ 3,405,000	
Series 2012	2,180,000	
Series 2015	670,000	
The Bonds(2)	3,280,000	
Less: The Refunded Bonds(2)	(3,040,000)	
Total General Obligation Bonded Debt	$ 6,495,000	
Less: Alternate Revenue Source Bonds:(3)		
Series 2008A(4)	$ (365,000)	
Series 2012	(2,180,000)	
The Bonds(2)	(3,280,000)	
Total Alternate Revenue Source Bonds	$ (5,825,000)	
Other Debt:		
Total Applicable Debt		$ 670,000
Legal Debt Margin		$24,480,436

Notes: (1) Source: The County.
(2) Subject to change.
(3) As general obligation alternate revenue source bonds under Illinois Statutes, the Series 2005, the Series 2008A Bonds and the Bonds do not count against the overall 2.875% of EAV debt limit for general obligation bonded debt so long as the debt service levy for such bonds is abated annually and not extended.
(4) Net of the Refunded Bonds. Subject to change.

Overlapping Bonded Debt for the County*(1)*
(As of May 20, 2015)

	Outstanding Debt(2)	Applicable to County Percent(3)	Applicable to County Amount
Schools:			
School District No. 50 (Harvard)	$ 22,836,518	1.54%	$ 351,682
School District No. 100 (Belvidere)	60,347,984	99.94%	60,311,775
School District No. 131 (Kinnikinnick)	4,640,000	0.08%	3,712
School District No. 200 (North Boone)	10,717,677	99.44%	10,657,658
School District No. 205 (Rockford)	184,388,871	0.12%	221,267
High School District No. 207 (Honenegah)	7,200,000	0.03%	2,160
Community Unit School District No. 426	6,410,000	8.22%	526,902
Community College District No. 511	59,658,595	16.22%	9,676,624
Community College District No. 523	59,502,342	0.28%	166,607
Total Schools			$81,918,387
Others:			
City of Belvidere	$ 0	100.00%	$ 0
Village of Capron	2,025,000	100.00%	2,025,000
Village of Cherry Valley	775,000	12.70%	98,425
City of Loves Park	4,805,000	10.54%	506,447
Village of Poplar Grove	8,065,000	100.00%	8,065,000
North Suburban Library District	0	3.50%	0
Belvidere Township Park District	6,905,000	100.00%	6,905,000
Rockford Park District	19,020,000	1.47%	279,594
Total Others			$17,879,466
Total Overlapping Debt			$99,797,853

Notes: (1) Source: Boone County Clerk.
(2) Includes original principal amounts of capital appreciation bonds.
(3) Overlapping debt percentages based on 2014 EAV, the most current available.

Statement of Bonded Indebtedness*(1)*

	Amount Applicable	Ratio To Equalized Assessed	Ratio To Estimated Actual	Per Capita (2010 Census 54,165)
County EAV of Taxable Property, 2014	$ 874,797,758	100.00%	33.33%	$16,150.61
Estimated Actual Value, 2014	$2,624,393,274	300.00%	100.00%	$48,451.83
Direct Bonded Debt(2)(3)	$ 6,495,000	0.74%	0.25%	$ 119.91
Less: Self Supporting(3)	(5,825,000)	(0.67%)	(0.22%)	(107.54)
Net Direct Debt(2)	$ 670,000	0.08%	0.03%	$ 12.37
Overlapping Bonded Debt:(4)				
Schools	$ 81,918,387	9.36%	3.12%	$ 1,512.39
All Others	17,879,466	2.04%	0.68%	330.09
Total Overlapping Bonded Debt	$ 99,797,853	11.41%	3.80%	$ 1,842.48
Total Net Direct & Overlapping Debt	$ 100,467,853	11.48%	3.83%	$ 1,854.85

Notes: (1) Source: Boone County Clerk.
(2) Includes the Bonds and all other general obligation bonds.
(3) Subject to change.
(4) Overlapping debt as of May 20, 2015.

PROPERTY ASSESSMENT AND TAX INFORMATION

For the 2014 levy year, the County's EAV was comprised of approximately 72.6% residential, 6.3% industrial, 9.3% commercial, 11.4% farm and less than 1% railroad property valuations.

Equalized Assessed Valuation*(1)*

	Levy Years				
	2010	2011	2012	2013	2014
Property Class					
Residential	$ 896,655,272	$ 795,276,831	$704,971,646	$638,603,137	$624,413,559
Farm	104,253,594	102,328,789	100,081,134	100,258,238	107,290,095
Commercial	93,458,622	87,930,112	90,635,876	81,905,359	83,410,606
Industrial	52,140,406	56,872,421	54,536,942	55,607,874	55,849,865
Railroad	2,482,034	2,577,792	2,942,370	3,557,084	3,833,633
Total	$1,148,989,928	$1,044,985,945	$953,167,968	$879,931,692	$874,797,758
Percent Change +(-)	(7.66%) (2)	(9.05%)	(8.79%)	(7.68%)	(0.58%)

Notes: (1) Source: Boone County Clerk.
(2) Percentage change based on 2009 EAV of $1,244,266,293.

Representative Tax Rates

Per $100 of Equalized Assessed Valuation*(1)*

	Levy Years					Maximum
	2010	2011	2012	2013	2014	Allowable(2)
County Rates:						
County General	$0.4187	$0.4179	$ 0.5074	$ 0.6093	$ 0.6529	(2)
Bond and Interest	0.0000	0.0000	0.0000	0.0000	0.0309	(2)
County Highway	0.0543	0.0606	0.0664	0.0707	0.0636	(2)
County Bridge	0.0255	0.0492	0.0629	0.0443	0.0373	(2)
County Matching Tax	0.0340	0.0496	0.0496	0.0387	0.0340	(2)
Illinois Municipal Retirement	0.1250	0.1283	0.1344	0.1662	0.1753	(2)
Liability Insurance	0.0129	0.0665	0.0801	0.0853	0.0905	(2)
County Health Department	0.0255	0.0285	0.0311	0.0304	0.0274	(2)
Social Security	0.0612	0.0618	0.0624	0.0665	0.0662	(2)
Extension Ed	0.0136	0.0152	0.0166	0.0166	0.0166	(2)
Veterans Assistance	0.0000	0.0000	0.0000	0.0293	0.0296	(2)
Senior Citizens	0.0191	0.0214	0.0236	0.0244	0.0243	(2)
Total County Rate	$0.7898	$0.8990	$ 1.0344	$ 1.1817	$ 1.2485	
Belvidere Township	0.2006	0.2208	0.2065	0.2269	0.2305	
Belvidere Township Road District	0.2734	0.3004	0.2520	0.2766	0.2761	
Ida Library	0.1602	0.1821	0.2035	0.2299	0.2346	
Belvidere Park District	0.4445	0.4988	0.5676	0.6224	0.6289	
City of Belvidere	1.0705	1.1672	1.3971	1.5904	1.6342	
School District No. 100	4.5970	5.0127	5.7805	6.3600	6.6055	
Community College District No. 511	0.4558	0.4541	0.4500	0.4654	0.4833	
Boone County Conservation District	0.0866	0.0983	0.1103	0.1167	0.1170	
Historical Museum	0.0194	0.0200	0.0200	0.0200	0.0200	
Total Representative Tax Rate (3)	$8.0976	$8.8534	$10.0219	$11.0897	$11.4785	

Notes: (1) Source: Boone County Clerk.
(2) Effective for the 2005 levy year and all subsequent levy years, the only ceiling on a particular tax rate is the ceiling set by statute above which the rate is not permitted to be further increased by referendum or otherwise. The total aggregate tax rate for the various purposes subject to the Property Tax Extension Limitation Law will not be allowed to exceed the County's limiting rate computed in accordance with the provisions of the Property Tax Extension Limitation Law.
(3) Representative tax rate is for property located in the City of Belvidere.

County Tax Extensions and Collections*(1)*

Levy Year	Collection Year	Tax Extensions	Total Collected Collections(2)	Total Collected Percent
2009	2010	$ 8,844,406	$ 8,703,497	98.41%
2010	2011	9,074,493	9,109,169	100.38%
2011	2012	9,394,528	9,360,637	99.64%
2012	2013	9,859,855	9,844,877	99.85%
2013	2014	10,397,889	10,366,065	99.69%
2014	2015	10,921,850	------In Collection--------	

Notes: (1) Source: Boone County Treasurer.
(2) Includes back taxes and mobile home.

Principal County Taxpayers*(1)*

Taxpayer Name	Business/Service	2014 EAV(2)
New Carco Acquisition LLC	Belvidere Assembly Plant	$19,264,126
Wal-Mart Real Est Business TR	Retail Store	3,727,092
KB Farms, Inc.	Farmland	3,273,269
Bel-Air Estates, Ltd	Poplar Grove Airport and Bel-Air Estates	2,920,553
Inland American Belvidere Atlas LLC	Real Property	2,869,872
Bel Air MHC Investors LP ETAL	Real Property	2,821,054
Cobalt Industrial REIT	Real Property	2,757,256
Stag Belvidere VII LLC	Real Property	2,239,701
Green Giant Company	Food Processing Plant	1,785,072
Belvidere National Bank and Trust	Commercial Bank	1,714,761
Total		$43,372,756
Ten largest as a percent of the County's 2014 EAV ($874,797,758)		4.96%

Notes: (1) Source: Boone County Clerk.
(2) Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked. The 2014 EAV is the most current available.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

Tax Levy and Collection Procedures

Local Assessment Officers determine the assessed valuation of taxable real property and railroad property not held or used for railroad operations. The Illinois Department of Revenue (the "Department") assesses certain other types of taxable property, including railroad property held or used for railroad operations. Local Assessment Officers' valuation determinations are subject to review at the county level and then, in general, to equalization by the Department. Such equalization is achieved by applying to each county's assessments a multiplier determined by the Department. The purpose of equalization is to provide a common basis of assessments among counties by adjusting assessments toward the statutory standard of 33-1/3% of fair cash value. Farmland is assessed according to a statutory formula which takes into account factors such as productivity and crop mix. Taxes are extended against the assessed values after equalization.

Property tax levies of each taxing body are filed in the office of the county clerk of each county in which territory of that taxing body is located. The county clerk computes the rates and amount of taxes applicable to taxable property subject to the tax levies of each taxing body and determines the dollar amount of taxes attributable to each respective parcel of taxable property. The county clerk then supplies to the appropriate collecting officials within the county the information needed to bill the taxes attributable to the various parcels therein. After the taxes have been collected, the collecting officials distribute to the various taxing bodies their respective shares of the taxes collected. Taxes levied in one calendar year are due and payable in two installments during the next calendar year. Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are subject to a penalty of 1-1/2% per month until paid. Unpaid property taxes, together with penalties, interest and costs, constitute a lien against the property subject to the tax.

Exemptions

An annual General Homestead Exemption provides that the EAV of certain Residential Property may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of $3,500 for assessment years prior to assessment year 2004 in counties with less than 3,000,000 inhabitants, and a maximum reduction of $5,000 for assessment year 2004 through 2007 in all counties. Additionally, the maximum reduction is $5,500 for assessment year 2008 and the maximum reduction is $6,000 for assessment year 2009 and thereafter in all counties.

The Homestead Improvement Exemption applies to Residential Properties that have been improved or rebuilt in the 2 years following a catastrophic event. The exemption is limited to $45,000 through December 31, 2003, and $75,000 per year beginning January 1, 2004 and thereafter, to the extent the assessed value is attributable solely to such improvements or rebuilding.

Additional exemptions exist for senior citizens. The Senior Citizens Homestead Exemption operates annually to reduce the EAV on a senior citizen's home for assessment years prior to 2004 by $2,000 in counties with less than 3,000,000 inhabitants. For assessment years 2004 and 2005, the maximum reduction is $3,000 in all counties. For assessment years 2006 and 2007, the maximum reduction is $3,500 in all counties. For assessment years 2008 through 2012, the maximum reduction is $4,000 in all counties. In addition, for assessment year 2013 and thereafter, the maximum reduction is $5,000 for all counties. Furthermore, beginning with assessment year 2003, for taxes payable in 2004, property that is first occupied as a residence after January 1 of any assessment year by a person who is eligible for the Senior Citizens Homestead Exemption must be granted a pro rata exemption for the assessment year based on the number of days during the assessment year that the property is occupied as a residence by a person eligible for the exemption.

A Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners, who are 65 and older and receive a household income not in excess of the maximum income limitation. The maximum income limitation is $35,000 for years prior to 1999, $40,000 for assessment years 1999 through 2003, $45,000 for assessment years 2004 and 2005, $50,000 from assessment years 2006 and 2007 and for assessments year 2008 and after, the maximum income limitation is $55,000. In general, the Exemption limits the annual real property tax bill of such property by granting to qualifying senior citizens an exemption as to a portion of the valuation of their property. In counties with a population of 3,000,000 or more, the exemption for all assessment years is equal to the EAV of the residence in the assessment year for which application is made less the base amount. Furthermore, for those counties with less than 3,000,000, the exemption is as follows: through assessment year 2005 and for assessment year 2007 and later, the exempt amount is the difference between (i) the current EAV of their residence and (ii) the base amount, which is the EAV of a senior citizen's residence for the year prior to the year in which he or she first qualifies and applies for the Exemption (plus the EAV of improvements since such year). For assessment year 2006, the amount of the exemption phases out as the amount of household income increases. The amount of the exemption is calculated by using the same formula as above, and then multiplying the resulting value by a ratio that varies according to household income.

Another exemption available to disabled veterans operates annually to exempt up to $70,000 of the Assessed Valuation of property owned and used exclusively by such veterans or their spouses for residential purposes. Also, certain property is exempt from taxation on the basis of ownership and/or use, such as public parks, not-for-profit schools and public schools, churches, and not-for-profit hospitals and public hospitals. However, individuals claiming exemption under the Disabled Persons' Homestead Exemption or the Disabled Veterans Standard Homestead Exemption cannot claim the aforementioned exemption.

Furthermore, beginning with assessment year 2007, the Disabled Persons' Homestead Exemption provides an annual homestead exemption in the amount of $2,000 for property that is owned and occupied by certain persons with a disability. However, individuals claiming exemption as a disabled veteran or claiming exemption under the Disabled Veterans Standard Homestead Exemption cannot claim the aforementioned exemption.

In addition, the Disabled Veterans Standard Homestead Exemption provides disabled veterans an annual homestead exemption starting with assessment year 2007 and thereafter. Specifically, (i) those veterans with a service-connected disability of 75% are granted an exemption of $5,000 and (ii) those veterans with a service-connected disability of less than 75%, but at least 50% are granted an exemption of $2,500. Furthermore, the veteran's surviving spouse is entitled to the benefit of the exemption, provided that the spouse has legal or beneficial title of the homestead, resides permanently on the homestead and does not remarry. Moreover, if the property is sold by the surviving spouse, then an exemption amount not to exceed the amount specified by the current property tax roll may be transferred to the spouse's new residence, provided that it is the spouse's primary residence and the spouse does not remarry. However, individuals claiming exemption as a disabled veteran or claiming exemption under the Disabled Persons' Homestead Exemption cannot claim the aforementioned exemption.

Beginning with assessment year 2007, the Returning Veterans' Homestead Exemption is available for property owned and occupied as the principal residence of a veteran in the assessment year the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a homestead exemption of $5,000, which is applicable in all counties. In order to apply for this exemption, the individual must pay real estate taxes on the property, own the property or have either a legal or an equitable interest in the property, "or a leasehold interest of land on which a single family residence is located, which is occupied as a principle residence of a veteran returning from an armed conflict involving the armed forces of the United States who has an ownership interest therein, legal, equitable or as a lessee, and on which the veteran is liable for the payment of property taxes." Those individuals eligible for this exemption may claim the exemption in addition to other homestead exemptions, unless otherwise noted.

Property Tax Extension Limitation Law

The Property Tax Extension Limitation Law, as amended (the "Limitation Law"), limits the annual growth in the amount of property taxes to be extended for certain Illinois non-home-rule units, including the County. In general, the annual growth permitted under the Limitation Law is the lesser of 5% or the percentage increase in the Consumer Price Index during the calendar year preceding the levy year. Taxes can also be increased due to new construction, referendum approval of tax rate increases, mergers and consolidations.

The effect of the Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, general obligation bonds, notes and installment contracts payable from ad valorem taxes unlimited as to rate and amount cannot be issued by the affected taxing bodies unless they are approved by referendum, are alternate bonds or are for certain refunding purposes.

The County has the authority to levy taxes for many different purposes. See the table entitled **Representative Tax Rates** under **"PROPERTY ASSESSMENT AND TAX INFORMATION"** herein. The ceiling at any particular time on the rate at which these taxes may be extended for the County is either (i) unlimited (as provided by statute), (ii) initially set by statute but permitted to be increased by referendum, (iii) capped by statute, or (iv) limited to the rate approved by referendum. Public Act 94-0976, effective June 30, 2006, provides that the only ceiling on a particular tax rate is the ceiling set by statute above, at which the rate is not permitted to be further increased by referendum or otherwise. Therefore, taxing districts (such as the County) will have increased flexibility to levy taxes for the purposes for which they most need the money. The total aggregate tax rate for the various purposes subject to the Limitation Law, however, will not be allowed to exceed the County's limiting rate computed in accordance with the provisions of the Limitation Law.

Local governments, including the County, can issue limited tax bonds in lieu of general obligation bonds that have otherwise been authorized by applicable law.

Truth in Taxation Law

The Law limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels.

FINANCIAL INFORMATION

Budgeting

The County follows these procedures in establishing the budgetary date:

a) At least 15 days prior to the enactment of the budget, the committee on Finance Taxation and Salaries submits to the County Board a proposed means of financing and expenditure appropriations for the fiscal year commencing the upcoming December 1.
b) Normally at the November regular Board meeting, but no later than November 30, the budget is legally enacted through passage of the appropriation ordinance.
c) Budgeted amounts are as originally reported or as amended by the County Board. Individual amendments were not material in relation to the original appropriations.
d) Unexpended budgeted amounts lapse at the end of the budget year. Spending control is established by the amount of expenditures budgeted for, but management control is exercised at budgetary line item levels. Budgets under control by elected offices are subject to spending authority within three categories: personnel, services and equipment.
e) The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

See **APPENDIX A** for more detail.

Investment Policy

Statutes authorize the County to invest in: 1) securities guaranteed by the full faith and credit of the United States of America; 2) deposits or other investments constituting direct obligations of any bank as defined by the Illinois Banking Act; 3) short-term obligations of corporations organized in the United States which meet other restrictions as defined in Illinois Revised Statutes Chapter 35, Paragraph 902, as amended; 4) money market funds registered under the Investment Company Act of 1940; 5) short-term discount obligations of the Federal National Mortgage Association; 6) shares or other forms of securities legally issuable by savings and loan associations; 7) various share accounts of a credit union chartered under the laws of the State of Illinois or the laws of the United States provided the principal office of any such credit union is located within the State of Illinois; 8) a Public Treasurer's Investment Pool created under Section 17 of "An Act to revise the law in relation to the State Treasurer", approved April 23, 1873, as amended. Bank, savings and loan, and credit union investments may only be made in institutions which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation or the National Credit Union Administration. Cash in the General Fund is made up of the following cash accounts: General Clearing, General Sweep, County Clerk-petty cash, County Clerk-Checking, Sheriff, PSB and Sheriff Special Trust.

No Consent or Updated Information Requested of the Auditor

The tables and excerpts (collectively, the "Excerpted Financial Information") contained in this **"FINANCIAL INFORMATION"** section and in **APPENDIX A** are from the audited financial statements of the County, including the audited financial statements for the fiscal year ended November 30, 2014 (the "2014 Audit") which was approved by formal action of the County Board. The County has not requested the Auditor to update information contained in the Excerpted Financial Information; nor has the County requested that the Auditor consent to the use of the Excerpted Financial Information in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Excerpted Financial Information has not been updated since the date of the 2014 Audit. The inclusion of the Excerpted Financial Information in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the County since the date of the 2014 Audit. Questions or inquiries relating to financial information of the County since the date of the 2014 Audit should be directed to the County.

Financial Reports

The County's financial statements are audited annually by certified public accountants. The County's financial statements are completed on a modified accrual basis of accounting consistent with generally accepted accounting principles applicable to governmental entities. See **APPENDIX A** for more detail.

Summary Financial Information

The following tables are summaries and do not purport to be the complete audits, copies of which are available upon request. See **APPENDIX A** for excerpts of the County's 2014 fiscal year audit.

Statement of Net Position
Governmental Activities

	Audited As of November 30:				
	2010	2011	2012	2013	2014
ASSETS:					
Cash and Cash Equivalents	$ 6,438,819	$ 4,796,582	$ 3,403,436	$ 2,129,405	$ 1,832,700
Investments	15,772,402	17,378,809	18,252,733	20,589,996	20,917,556
Receivables, Net of Allowance for Doubtful Accounts:					
Property Taxes	9,290,196	9,505,757	9,990,000	10,688,000	11,034,374
Accounts	749,651	713,824	646,652	577,030	701,555
Due From Others	1,382,032	1,293,723	1,260,535	1,218,591	1,405,245
Inventory	0	0	21,835	12,776	0
Prepaid Expenses	0	0	0	6,525	0
Restricted Cash and Investments	668,959	679,354	0	0	0
Capital Assets (Net of Accumulated Depreciation):					
Capital Assets Not Being Depreciated	695,289	695,289	809,504	1,042,355	1,152,545
Depreciated (Net of Accumulated Depreciation)	21,296,877	21,229,260	20,656,756	20,307,436	20,113,636
Total Assets	$56,294,225	$56,292,598	$55,041,451	$56,572,114	$57,157,611
DEFERRED OUTFLOWS OF RESOURCES:					
Unamortized Loss on Refunding of Bonds	$ 0	$ 0	$ 0	$ 233,591	$ 186,873
Total Deferred Outflows of Resources	$ 0	$ 0	$ 0	$ 233,591	$ 186,873
LIABILITIES:					
Current Liabilities:					
Accounts Payable	$ 428,308	$ 602,340	$ 453,255	$ 563,787	$ 428,654
Accrued Payroll	519,606	578,861	214,070	229,761	239,466
IMRF Payable and Withholding	0	143,932	244,040	286,831	202,927
Due to Others	0	0	0	0	7,191
Accrued Interest Payable	219,692	194,978	96,133	136,010	123,056
Claims Payable	342,274	217,839	299,684	270,448	234,144
Deferred Property Taxes	9,290,196	9,505,757	9,990,000	0	0
Unearned Revenue	0	0	0	16,197	2,887
Current Portion of Landfill Liability	0	0	0	0	0
Current Portion of Long-Term Debt	0	0	0	0	0
Total Current Liabilities	$10,800,076	$11,243,707	$11,297,182	$ 1,503,034	$ 1,238,325
Noncurrent Liabilities:					
Due Within One Year	$ 926,646	$ 957,956	$ 835,086	$ 927,400	$ 1,017,997
Due In More Than One Year	10,534,098	9,613,282	7,777,343	7,750,592	7,100,529
Total Noncurrent Liabilities	$11,460,744	$10,571,238	$ 8,612,429	$ 8,677,992	$ 8,118,526
Total Liabilities	$22,260,820	$21,814,945	$19,909,611	$10,181,026	$ 9,356,851
DEFERRED INFLOWS OF RESOURCES:					
Unearned Revenue - Property Taxes	$ 0	$ 0	$ 0	$10,688,000	$11,034,374
Total Deferred Outflows of Resources	$ 0	$ 0	$ 0	$10,688,000	$11,034,374
NET POSITION:					
Invested in Capital Assets, Net of Related Debt	$10,467,232	$12,852,625	$14,177,770	$14,210,915	$14,826,845
Restricted	18,242,946	17,648,335	17,220,388	18,522,109	18,341,712
Unrestricted	5,323,227	3,976,693	3,733,682	3,203,655	3,794,996
Total Net Assets	$34,033,405	$34,477,653	$35,131,840	$35,936,679	$36,963,553

Statement of Activities
Governmental Activities

	Audited Fiscal Year Ended November 30:				
	2010	2011	2012	2013	2014
Functions Programs(1):					
Primary Government					
Governmental Activities:					
General Government	$ (2,884,854)	$ (2,854,083)	$ (2,879,007)	$ (2,610,605)	$ (2,935,233)
Public Safety	(1,858,881)	(1,955,373)	(4,172,826)	(5,245,491)	(5,682,657)
Highways and Streets	(939,070)	(1,316,974)	(547,748)	(883,787)	(1,319,147)
Health, Welfare, and Sanitation	(480,416)	(375,685)	(381,876)	(622,811)	(146,469)
Judicial and Court Related	(6,950,515)	(7,032,005)	(6,161,937)	(5,275,389)	(4,947,059)
Interest	(503,282)	(436,097)	(435,784)	(278,315)	(251,019)
Total Governmental Activities	$(13,617,018)	$(13,970,217)	$(14,579,178)	$(14,916,398)	$(15,281,584)
General Revenues:					
Taxes:					
Property	$ 8,703,496	$ 9,281,580	$ 9,516,460	$ 9,787,877	$ 10,319,405
State Taxes	0	0	0	0	0
Other	26,285	4,999	5,982	51,447	73,576
Sales	2,687,980	2,844,891	2,932,021	3,022,924	2,991,974
Income	1,476,621	1,528,030	1,673,880	1,825,740	1,833,272
Replacement	421,353	511,041	425,442	482,763	499,684
Local Use	252,958	279,227	298,535	323,347	367,110
Unrestricted Investments Earnings	0	0	0	0	0
Fines	0	0	0	0	0
Investment Income	0	0	116,037	64,756	57,327
Miscellaneous	151,060	123,768	245,272	151,301	166,110
Total General Fund Revenues	$ 13,855,072	$ 14,684,686	$ 15,213,629	$ 15,710,155	$ 16,308,458
Transfers	0	0	0	0	0
Changes in Net Assets	$ 238,054	$ 714,469	$ 634,451	$ 793,757	$ 1,026,874
Net Assets Beginning	33,571,973	34,033,405	34,477,653	35,131,840	35,936,679
Prior Period Adjustment	223,378	(270,221)	19,736	11,082	0
Net Assets Ending	$ 34,033,405	$ 34,477,653	$ 35,131,840	$ 35,936,679	$ 36,963,553

Note: (1) Expenses less charges for services, operating grants and contributions and capital grants and contributions.

General Fund
Balance Sheet

	Audited As of November 30:				
	2010(1)	2011(2)	2012	2013	2014
ASSETS:					
Cash and Cash Equivalents	$ 951,389	$1,225,829	$ 915,669	$ 308,811	$ 347,764
Investments	2,991,333	2,145,873	2,065,013	2,902,507	3,133,476
Property Taxes Receivable	5,077,439	4,400,000	4,850,000	5,500,000	5,775,000
Accounts Receivable	454,326	407,888	326,193	317,070	347,577
Prepaid Items	0	0	0	6,525	0
Due from Other Governmental Units	1,050,614	903,471	844,233	809,641	835,633
Due from Others	0	0	41,404	73,827	0
Inventory	0	0	21,835	12,776	10,294
Total Assets	$10,525,101	$9,083,061	$9,064,347	$9,931,157	$10,449,744
LIABILITIES:					
Vouchers Payable	$ 0	$ 0	$ 0	$ 0	$ 0
IMRF Payable and Withholding	0	1,519	1,519	1,444	1,335
Accounts Payable	188,217	213,607	221,205	241,122	224,920
Accrued Interest	0	0	0	0	0
Capital Assets Not Being Depreciated	5,077,439	4,400,000	4,850,000	0	0
Accrued Payroll	457,161	482,410	174,758	185,558	192,746
Unearned Revenue	0	0	0	9,252	0
Total Liabilities	$ 5,722,817	$5,097,536	$5,247,482	$ 437,376	$ 419,001
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Revenue - Property Taxes	$ 0	$ 0	$ 0	$5,500,000	$ 5,775,000
Total Deferred Inflows of Resources	$ 0	$ 0	$ 0	$5,500,000	$ 5,775,000
Total Liabilities and Deferred Inflows of Resources	$ 0	$ 0	$ 0	$5,937,376	$ 6,194,001
Fund Balance:					
Restricted	$ 1,286,561	$ 0	$ 0	$ 0	$ 0
Unreserved	3,515,723	3,985,525	0	0	0
Nonspendable	0	0	21,835	19,301	10,294
Unassigned	0	0	3,795,030	3,974,480	4,245,449
Total Fund Balance	$ 4,802,284	$3,985,525	$3,816,865	$3,993,781	$ 4,255,743
Total Liabilities and Fund Balance	$10,525,101	$9,083,061	$9,064,347	$9,931,157	$10,449,744

Notes: (1) In fiscal year 2010 when the County changed auditing firms, the Tort Fund was combined with the General Fund.
(2) In fiscal year 2011, the Tort Fund and the General Fund were separated.

General Fund
Statement of Revenues and Expenditures

	Audited Fiscal Year Ended November 30:				
	2010(1)	2011(2)	2012	2013	2014
REVENUES:					
Taxes	$ 7,370,153	$ 8,815,337	$ 8,251,841	$ 9,048,668	$ 9,586,652
Fees, Licenses, Permits and Fines	2,289,868	2,245,743	2,357,900	2,296,612	2,907,079
Intergovernmental Revenue	2,048,617	1,716,595	1,672,465	1,895,405	1,932,987
Investment Income	16,676	11,904	16,344	7,503	6,591
Miscellaneous	572,734	602,321	356,809	432,267	378,705
Other Revenue	0	0	0	0	0
Total Revenues	$12,298,048	$13,391,900	$12,655,359	$13,680,455	$14,812,014
EXPENDITURES:					
General Government	$ 2,577,185	$ 2,421,542	$ 2,515,806	$ 2,681,996	$2,893,748
Public Safety	3,915,124	3,723,099	4,389,814	4,635,890	5,011,176
Highways and Streets	19,882	0	0	0	0
Health and Welfare	41,235	0	0	0	0
Judiciary and Court Related	6,742,992	6,614,860	6,440,333	6,760,656	6,989,895
Total Expenditures	$13,296,418	$12,759,501	$13,345,953	$14,078,542	$14,894,819
Excess (Deficiency) of Revenues Over Expenditures	$ (998,370)	$ 632,399	$ (690,594)	$ (398,087)	$ (82,805)
Other Financing Sources (Uses):					
Debt Proceeds	$ 0	$ 0	$ 0	$ 0	$ 0
Transfers In	313,716	242,403	788,340	1,086,750	827,689
Transfers Out	(100,000)	(405,000)	(266,406)	(511,747)	(482,922)
Total Other Financing Sources (Uses)	$ 213,716	$ (162,597)	$ 521,934	$ 575,003	$ 344,767
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$ (784,654)	$ 469,802	$ (168,660)	$ 176,916	$ 261,962
Fund Balance, Beginning	5,255,062	4,802,284	3,985,525	3,816,865	3,993,781
Prior Period Adjustment	331,876	(1,286,561)	0	0	0
Fund Balance, Ending	$ 4,802,284	$ 3,985,525	$ 3,816,865	$ 3,993,781	$ 4,255,743

Notes: (1) In fiscal year 2010 when the County changed auditing firms, the Tort Fund was combined with the General Fund.
(2) In fiscal year 2011, the Tort Fund and the General Fund were separated.

General Fund
Budget and Interim Financial Information

	Fiscal Year 2015 Budget	Interim Six Months Ending 5/30/2015
REVENUES:		
Property Taxes	$ 5,774,956	$ 1,220,053
Sales Taxes	1,527,614	774,111
Other Taxes	2,968,574	1,435,660
Licenses and Permits	143,000	67,971
Fines and Fees	2,720,170	1,146,540
Other	1,911,870	814,815
Transfers In	472,882	200,000
Total Revenue	$15,519,066	$ 5,659,151
EXPENDITURES:		
Administration	$ 225,305	$ 106,446
Grants	86,850	51,250
Supervisor of Assessments	237,345	91,440
Board of Review	27,859	8,483
Circuit Clerk	599,970	293,821
Coroner	158,594	71,462
County Board	70,960	31,144
County Buildings	625,896	254,985
County Clerk	294,836	139,285
County Farm	2,500	2,746
Emergency Management Agency	64,534	26,746
Regional Office of Education	81,624	44,723
Local Emergency Planning Commission	7,336	200
Judges	30,316	14,632
Jurors and Other Legal Services	211,625	102,094
Court Services	57,000	34,903
Probation	443,099	182,713
City-County Public Safety Building	1,431,353	640,966
County Corrections	2,700,399	1,335,118
Public Defender	417,339	235,600
Sheriff	3,362,350	1,681,746
State's Attorney	848,821	424,639
Treasurer	171,097	74,265
Zoning Board of Appeals	2,500	455
Building Department	135,628	66,098
Audit	47,025	20,000
Election	237,500	118,598
Geographical Information System	84,404	39,628
Contingencies	20,000	27,398
Information Technology	230,127	2,200
Other Professional Services and Capital	87,250	102,941
Logan Avenue Building Maintenance	60,833	28,248
Total Expenditures	$13,062,275	$ 6,254,974
Excess (Deficiency) of Revenues Over Expenditures	$ 2,456,791	$ (595,823)
Transfers Out(1)	2,451,500	1,403,392
Excess (Deficiency) of Revenues Over (Under) Expenditures and Transfers Out	$ 5,291	$(1,999,215)

Note: (1) Includes interfund transfers.

EMPLOYEE RETIREMENT AND OTHER POSTEMPLOYMENT BENEFITS OBLIGATIONS

See **APPENDIX D** herein for a discussion of the County's employee retirement and other postemployment benefits obligations.

REGISTRATION, TRANSFER AND EXCHANGE

Registration

The registered owner of a Bond will be deemed and regarded as the absolute owner thereof for the purpose of receiving payment of, or on account of, the principal of, premium, if any, or interest thereon and for all other purposes whatsoever, and all such payments so made to such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the County nor the Bond Registrar will be affected by any notice to the contrary.

Transfers and Exchanges

The transfer of Bonds will be registrable only upon the registration books maintained by the County for that purpose at the principal corporate trust office of the Bond Registrar, by the registered owner thereof or by his attorney duly authorized in writing, upon surrender thereof together with an instrument of transfer satisfactory to the Bond Registrar and duly executed by the registered owner or his duly authorized agent. Upon such surrender for registration of transfer, the County will execute and the Bond Registrar will authenticate and deliver a new Bond or Bonds of any authorized denominations, registered in the name of the transferee, and of the same aggregate principal amount, maturity and interest rate as the surrendered Bond.

Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity and interest rate and of any authorized denominations, upon surrender thereof as the principal corporate trust office of the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or his duly authorized agent.

For every such exchange or registration of transfer of Bonds, the County or the Bond Registrar may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer. No charge will be made in connection with such exchange or registration of transfer to pay the cost of preparing each new Bond issued upon such exchange or registration of transfer.

TAX MATTERS

On the date of issuance and delivery of the Bonds, it is expected that Katten Muchin Rosenman LLP, Chicago, Illinois, Bond Counsel, will deliver approving opinion with respect to the Bonds. The form of opinion expected to be delivered by Bond Counsel is attached as **APPENDIX C**. A summary of the opinion of Bond Counsel and the general discussion of certain other tax matters relating to the Bonds are set forth below.

Katten Muchin Rosenman LLP, Bond Counsel, is of the opinion that under existing law, interest on the Bonds is not includible in the gross income of the owners thereof for Federal income tax purposes. If there is continuing compliance with the applicable requirements of the Internal Revenue Code of 1986 (the "Code"), Bond Counsel is of the opinion that interest on the Bonds will continue to be excluded from the gross income of the owners thereof for Federal income tax purposes. Bond Counsel is further of the opinion that interest on the Bonds is not an item of tax preference for purposes of computing individual or corporate alternative minimum taxable income but must be taken into account when computing corporate alternative minimum taxable income for tax purposes of the corporate alternative minimum tax. Interest on the Bonds is not exempt from State of Illinois income taxes.

The Code contains certain requirements that must be satisfied from and after the date of issuance of the Bonds. These requirements relate to the use and investment of the proceeds of the Bonds, the payment of certain amounts to the United States, the security and source of payment of the Bonds and the use of property financed with the proceeds of the Bonds. The County has covenanted in the Bond Ordinance to comply with these requirements.

Bonds Purchased at a Premium or a Discount

The difference (if any) between the initial price at which a substantial amount of each maturity of the Bonds is sold to the public (the "Offering Price") and the principal amount payable at maturity of such Bonds is given special treatment for Federal income tax purposes. If the Offering Price is higher than the maturity value of a Bond, the difference between the two is known as "bond premium"; if the Offering Price is lower than the maturity value of a Bond, the difference between the two is known as "original issue discount".

The bond premium and original issue discount are amortized over the term of a Bond on the basis of the owner's yield from the date of purchase to the date of maturity, compounded at the end of each accrual period of one year or less with straight line interpolation between compounding dates, as provided more specifically in the Income Tax Regulations. The amount of bond premium accruing during each period is treated as an offset against interest paid on the Bond and is subtracted from the owner's tax basis in the Bond. The amount of original issue discount accruing during each period is treated as interest that is excludable from the gross income of the owner of such Bond for Federal income tax purposes, to the same extent and with the same limitations as current interest, and is added to the owner's tax basis in the Bond. A Bond's adjusted tax basis is used to determine whether, and to what extent, the owner realizes taxable gain or loss upon disposition of the Bond (whether by reason of sale, acceleration, redemption prior to maturity or payment at maturity of the Bond).

Owners who purchase Bonds at a price other than the Offering Price, after the termination of the initial public offering or at a market discount should consult their tax advisors with respect to the tax consequences of their ownership of the Bonds. In addition, owners of Bonds should consult their tax advisors with respect to the state and local tax consequences of owning the Bonds; under the applicable provisions of state or local income tax law, bond premium and original issue discount may give rise to taxable income at different times and in different amounts than they do for Federal income tax purposes.

Exclusion From Gross Income Requirements

The Code sets forth certain requirements that must be satisfied on a continuing basis in order to preserve the exclusion from gross income for Federal income tax purposes of interest on the Bonds. Among these requirements are the following:

Limitations on Private Use. The Code includes limitations on the amount of Bonds proceeds that may be used in the trade or business of, or used to make or finance loans to, persons other than governmental units.

Investment Restrictions. Except during certain "temporary periods," proceeds of the Bonds and investment earnings thereon (other than amounts held in a reasonably required reserve or replacement fund, if any, or as part of "minor portion") may generally not be invested in investments having a yield that is "materially higher" (1/8 of one percent) than the yield on the Bonds.

Rebate of Arbitrage Profit. Unless the County qualifies for one of several exemptions, earnings from the investment of the "gross proceeds" of the Bonds in excess of the earnings that would have been realized if such investments had been made at a yield equal to the yield on the Bonds are required to be paid to the United States at periodic intervals. For this purpose, the term "gross proceeds" includes the original proceeds of the Bonds, amounts received as a result of investing such proceeds, and amounts to be used to pay debt service on the Bonds.

Covenants to Comply

The County has covenanted in the Bond Ordinance to comply with the requirements of the Code relating to the exclusion from gross income for Federal income tax purposes of interest on the Bonds.

Risks of Non-Compliance

In the event that the County fails to comply with the requirements of the Code, interest on the Bonds may become includible in the gross income of the owners thereof for Federal income tax purposes retroactive to the date of issue. In such event, the Bond Ordinance requires neither acceleration of payment of principal of, or interest on, the Bonds nor payment of any additional interest or penalties to the owners of the Bonds.

Federal Income Tax Consequences

Pursuant to Section 103 of the Code, interest on the Bonds is not includible in the gross income of the owners thereof for Federal income tax purposes. However, the Code contains a number of other provisions relating to the treatment of interest on the Bonds which may affect the taxation of certain types of owners, depending on their particular tax situations. Some of the potentially applicable Federal income tax provisions are described in general terms below. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS CONCERNING THE PARTICULAR FEDERAL INCOME TAX CONSEQUENCES OF THEIR OWNERSHIP OF THE BONDS.

A. *Cost of Carry*. Owners of the Bonds will generally be denied a deduction for otherwise deductible interest on any debt that is treated for Federal income tax purposes as having been incurred or continued to purchase or carry the Bonds. Except as set forth in "Qualified Tax Exempt Obligations" below, financial institutions are denied a deduction for their otherwise allowable interest expense in an amount determined by reference to their adjusted basis in the Bonds.

B. *Individual Owner*. Receipt of interest on the Bonds may increase the amount of Social Security and Railroad Retirement benefits included in the gross income of the recipients thereof for Federal income tax purposes.

C. *Certain Blue Cross or Blue Shield Organizations*. Receipt of interest on the Bonds may reduce a special deduction otherwise available to certain Blue Cross or Blue Shield organizations.

D. *Property or Casualty Insurance Companies*. Receipt of interest on the Bonds may reduce otherwise deductible underwriting losses of a property or casualty insurance company.

E. *Corporate Owners*. Interest on the Bonds is generally taken into account in computing the earnings and profits of a corporation and consequently may be subject to federal income taxes based thereon. Thus, for example, interest on the Bonds is taken into account not only in computing the corporate alternative minimum tax but also the branch profits tax imposed on certain foreign corporations, the passive investment income tax imposed on certain S corporations, and the accumulated earnings tax.

F. *Foreign Personal Holding Company Income*. A United States shareholder of a foreign personal holding company may realize taxable income to the extent that interest on the Bonds held by such a company is properly allocable to the shareholder.

QUALIFIED TAX-EXEMPT OBLIGATIONS

Section 265(b)(3)(B) of the Code provides that certain issues designated or deemed as "qualified tax-exempt obligations" and purchased by financial institutions (either from the issuer or in a secondary market transaction) may be disregarded in computing the proportional disallowance of interest expense provided in such Section. In the Bond Ordinance, the County has designated the Bonds as "qualified tax-exempt obligations". In addition, as required by Section 265 of the Code, the County has represented that the reasonably anticipated amount of "tax-exempt obligations" that are required to be taken into account under Section 265 of the Code and will be issued by the County and all subordinate entities of the County during 2015 does not exceed $10,000,000, and has covenanted that it will not designate and issue more than $10,000,000 aggregate principal amount of "tax-exempt obligations" during 2015. For purposes of the foregoing sentence, the term "tax-exempt obligations" includes "qualified 501(c)(3) bonds" (as defined in Section 145 of the Code) but does not include other "private activity bonds" (as defined in Section 141(a) of the Code).

CONTINUING DISCLOSURE

In the Bond Ordinance, the County has covenanted and agreed, for the benefit of the beneficial owners of the Bonds, to provide certain financial information and operating data relating to the County within 210 days after the close of the County's fiscal year (the "Annual Report"); and, in a timely manner, to provide notices of the occurrence of certain enumerated events. The Annual Reports will be filed by the County with the Municipal Securities Rulemaking Board (the "MSRB") for disclosures on its Electronic Municipal Market Access ("EMMA") system. The information to be contained in the Annual Report will consist of the annual audited financial statement of the County, and updated information with respect to the statements in the Official Statement contained under the captions **"DEBT INFORMATION"**, **"PROPERTY ASSESSMENT AND TAX INFORMATION"** and **"FINANCIAL INFORMATION (Excluding Budget and Interim Financial Information)"**. Each annual audited financial statement will conform to generally accepted accounting principles applicable to governmental units and will be prepared in accordance with standards of the Governmental Accounting Standards Board. If the audited financial statement is not available, then an unaudited financial statement will be included in the Annual Report and the audited financial statement will be filed promptly after it becomes available. The County, in a timely manner not in excess of ten business days after the occurrence of the event, shall provide notice to the MSRB for disclosure on EMMA of any failure of the County to provide any such report within the 210 day period and of the occurrence of any of the following events with respect to the Bonds.

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Debt calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Tender offers
13. Bankruptcy, insolvency, receivership or similar event of the County*
14. The consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
15. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

* *This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the County in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County.*

The County has agreed to the foregoing undertakings in order to assist participating underwriters of the Bonds and brokers, dealers and municipal securities dealers in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934. The County will provide the foregoing information for so long as Rule 15c2-12(b)(5) is applicable to the Bonds and the County remains an "obligated person" under the Rule with respect to the Bonds. No provision of the bond ordinance limits the remedies available to any beneficial owner of the Bonds with respect to the enforcement of the continuing disclosure covenants of the County described above. Failure to comply with the continuing disclosure covenants will not constitute an event of default under the Bond Ordinance.

The County may amend the continuing disclosure undertakings contained in the Ordinance upon a change in circumstances provided that (a) the undertakings, as amended, would have complied with the requirements of Rule 15(c)2-12(b)(5) at the time of this offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances and (b) in the opinion of nationally recognized bond counsel selected by the County, the amendment does not materially impair the interests of the beneficial owners of the Bonds.

The County failed to file in a timely manner, as required by Securities and Exchange Commission Rule 15c2-12 and its prior continuing disclosure undertakings, its Annual Reports (including its audited financial statements) for the fiscal years ended November 30, 2009 and November 30, 2010. These Annual Reports were filed with the MSRB on EMMA as of June 18, 2012, with the audited financial statements being filed on March 14, 2012. The County has filed its Annual Reports (including its audited financial statements) for the fiscal years ended November 30, 2011 through and including November 30, 2014 on time and in accordance with a prior continuing disclosure undertaking.

In the past five years there have been numerous rating actions reported by Moody's Investors Service, Standard & Poor's Rating Corporation and Fitch Ratings affecting the municipal bond insurance companies, some of which had insured bonds previously issued by the County. Due to widespread knowledge of these rating actions, material event notices were not filed by the County.

OPTIONAL REDEMPTION

Bonds due December 15, 2016-2024, inclusive, are non-callable. Bonds due December 15, 2025-2028, inclusive, are callable in whole or in part on any date on or after December 15, 2024, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the County and within any maturity by lot.

NOTICE OF REDEMPTION

Notice of the redemption of Bonds shall be mailed not less than 30 days nor more than 60 days prior to the date fixed for such redemption to the registered owners of bonds to be redeemed at their last addresses appearing on said registration books. The Bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for payment of the redemption price of all the Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, and if notice of redemption shall have been mailed as aforesaid (and notwithstanding any defect therein or the lack of actual receipt thereof by any registered owner) then from and after the redemption date interest on such bonds or portions thereof shall cease to accrue and become payable.

LITIGATION

There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the County taken with respect to the issuance or sale thereof.

OFFICIAL STATEMENT AUTHORIZATION

This Official Statement has been authorized for distribution to prospective purchasers of the Bonds. All statements, information, and statistics herein are believed to be correct but are not guaranteed by the consultants or by the County, and all expressions of opinion, whether or not so stated, are intended only as such.

INVESTMENT RATING

The Bonds are rated "Aa2" by Moody's Investors Service, New York, New York. The County has supplied certain information and material concerning the Bonds and the County to the rating service shown on the cover page, including certain information and materials which may not have been included in this Official Statement, as part of its application for an investment rating on the Bonds. A rating reflects only the views of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Generally, such rating service bases its rating on such information and material, and also on such investigations, studies and assumptions that it may undertake independently. There is no assurance that such rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by such rating service if, in its judgment, circumstances so warrant. Any such downward change in or withdrawal of such rating may have an adverse effect on the secondary market price of the Bonds. An explanation of the significance of the investment rating may be obtained from the rating agency: Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, NY 10007, telephone 212-553-1658. The County will provide appropriate periodic credit information to the rating service to maintain a rating on the Bonds.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the unqualified approving opinion of Katten Muchin Rosenman LLP, Chicago, Illinois, Bond Counsel, whose approving opinion will be delivered with the Bonds. Bond Counsel has reviewed the statements in this Official Statement appearing under the headings **"TAX MATTERS"** and **"QUALIFIED TAX-EXEMPT OBLIGATIONS"** and is of the opinion that the statements contained under such headings are accurate statements or summaries of the matters set forth therein and fairly present the information purported to be shown. Except for the foregoing, however, Bond Counsel has not independently verified the accuracy or completeness of statements and information contained in the Official Statement and does not assume any responsibility of the accuracy or completeness of such statements and information.

The opinion of Bond Counsel and the descriptions of the tax law contained in this Official Statement are based on statutes, judicial decisions, regulations, rulings and other official interpretations of law in existence on the date the Bonds are issued. There can be no assurance that such law or the interpretation thereof will not be changed or that new provisions of law will not be enacted or promulgated at any time while the Bonds are outstanding in a manner that would adversely affect the value or the tax treatment of ownership of the Bonds.

DEFEASANCE AND PAYMENT OF BONDS

If the County shall pay or cause to be paid to the registered owners of the bonds, the principal, premium, if any, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this ordinance, then the pledge of taxes, securities and funds hereby pledged and the covenants, agreements and other obligations of the County to the registered owners and the beneficial owners of the bonds shall be discharged and satisfied.

Any Bonds, whether at or prior to the maturity or the redemption date of such bonds, shall be deemed to have been paid if (1) in case any such Bonds are to be redeemed prior to the maturity thereof, there shall have been taken all action necessary to call such Bonds for redemption and notice of such redemption shall have been duly given or provision shall have been made for the giving of such notice, and (2) there shall have been deposited in trust with a bank, trust company or national banking association acting as fiduciary for such purpose either (i) moneys in an amount which shall be sufficient, or (ii) "Federal Obligations" as defined below, the principal of and the interest on which when due will provide moneys which, together with any moneys on deposit with such fiduciary at the same time for such purpose, shall be sufficient, to pay when due the principal of, redemption premium, if any, and interest due and to become due on said Bonds on and prior to the applicable redemption date or maturity date thereof.

The term "Federal Obligations" means (i) non-callable, direct obligations of the United States of America, (ii) non-callable and non-prepayable, direct obligations of any agency of the United States of America, which are unconditionally guaranteed by the United States of America as to full and timely payment of principal and interest, (iii) non-callable, non-prepayable coupons or interest installments from the securities described in clause (i) or clause (ii) which are stripped pursuant to programs of the Department of the Treasury of the United States of America, or (iv) coupons or interest installments stripped from bonds of the Resolution Funding Corporation.

UNDERWRITING

The Bonds were offered for sale by the County at a public, competitive sale on August 19, 2015. The best bid submitted at the sale was submitted by _____ (the "Underwriter"). The County awarded the contract for sale of the Bonds to the Underwriter at a price of $_____. The Underwriter has represented to the County that the Bonds have been subsequently re-offered to the public initially at the yields or prices set forth in the addendum to this Official Statement.

MUNICIPAL ADVISOR

The County has engaged Speer Financial, Inc. as municipal advisor (the "Municipal Advisor") in connection with the issuance and sale of the Bonds. The Municipal Advisor is a Registered Municipal Advisor in accordance with the rules of the MSRB. The Municipal Advisor will not participate in the underwriting of the Bonds. The financial information included in the Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. The Municipal Advisor is not obligated to undertake any independent verification of or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement, nor is the Municipal Advisor obligated by the County's continuing disclosure undertaking.

CERTIFICATION

We have examined this Official Statement dated August 7, 2015, for the $3,280,000* General Obligation Refunding Bonds, Sales Tax Alternate Revenue Source, Series 2015A, believe it to be true and correct and will provide to the purchaser of the Bonds at the time of delivery a certificate confirming to the purchaser that to the best of our knowledge and belief information in the Official Statement was at the time of acceptance of the bid for the Bonds and, including any addenda thereto, was at the time of delivery of the Bonds true and correct in all material respects and does not include any untrue statement of a material fact, nor does it omit the statement of any material fact required to be stated therein, or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

/s/ **BOB WALBERG**
Chairman of the County Board
THE COUNTY OF BOONE, ILLINOIS

/s/ **KENNETH TERRINONI**
County Administrator
THE COUNTY OF BOONE, ILLINOIS

**Subject to change.*

APPENDIX A

THE COUNTY OF BOONE, ILLINOIS

EXCERPTS OF FISCAL YEAR 2014 AUDITED FINANCIAL STATEMENTS

BOONE COUNTY, ILLINOIS

STATEMENT OF NET POSITION

November 30, 2014

	Primary Government Governmental Activities
ASSETS	
Cash and cash equivalents	$ 1,832,700
Investments	20,917,556
Receivables, net of allowance where applicable	
Property taxes	11,034,374
Accounts	701,555
Inventory	10,294
Due from other governments	1,405,245
Capital assets	
Not being depreciated	1,152,545
Depreciated (net of accumulated depreciation)	20,113,636
Total assets	57,167,905
DEFERRED OUTFLOWS OF RESOURCES	
Unamortized loss on refunding of bonds	186,873
Total deferred outflows of resources	186,873
LIABILITIES	
Accounts payable	428,654
Accrued payroll	239,466
IMRF payable and withholding	202,927
Due to others	7,191
Unearned revenue	2,887
Accrued interest payable	123,056
Claims payable	234,144
Noncurrent liabilities	
Due within one year	1,017,997
Due in more than one year	7,100,529
Total liabilities	9,356,851
DEFERRED INFLOWS OF RESOURCES	
Unearned revenue - property taxes	11,034,374
Total deferred inflows of resources	11,034,374
Total liabilities and deferred inflows of resources	20,391,225
NET POSITION	
Net investment in capital assets	14,826,845
Restricted for	
Tort liability	517,413
Highways and streets	12,825,951
Public safety	910,853
Health and welfare	638,437
Judicial	681,143
Equipment replacement	634,144
Capital purposes	10,318
Debt service	1,708,848
Retirement	414,605
Unrestricted	3,794,996
TOTAL NET POSITION	$ 36,963,553

See accompanying notes to financial statements.

BOONE COUNTY, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended November 30, 2014

		Program Revenues			Net (Expense) Revenue and Change in Net Position
FUNCTIONS/PROGRAMS	**Expenses**	**Charges for Services**	**Operating Grants**	**Capital Grants**	**Primary Government Governmental Activities**
PRIMARY GOVERNMENT					
Governmental Activities					
General government	$ 4,397,778	$ 1,357,913	$ 76,761	$ 27,871	$ (2,935,233)
Public safety	7,916,783	968,603	1,265,523	-	(5,682,657)
Highways and streets	2,741,788	8,238	1,286,087	128,316	(1,319,147)
Health and welfare	1,619,233	441,896	797,944	232,924	(146,469)
Judiciary and court related	8,069,664	2,499,714	622,891	-	(4,947,059)
Interest	251,019	-	-	-	(251,019)
Total governmental activities	24,996,265	5,276,364	4,049,206	389,111	(15,281,584)
TOTAL PRIMARY GOVERNMENT	$ 24,996,265	$ 5,276,364	$ 4,049,206	$ 389,111	(15,281,584)
General Revenues					
Taxes					
Property					10,319,405
Sales					2,991,974
Replacement					499,684
Local use					367,110
Video gaming					73,576
Income tax					1,833,272
Investment income					57,327
Miscellaneous					166,110
Total					16,308,458
CHANGE IN NET POSITION					1,026,874
NET POSITION, DECEMBER 1, 2013					35,936,679
NET POSITION, NOVEMBER 30, 2014					$ 36,963,553

See accompanying notes to financial statements.

BOONE COUNTY, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

November 30, 2014

	General	County Bridge	County Matching	IMRF/ Retirement	County Motor Fuel Tax	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	$ 347,764	$ 83,409	$ 91,721	$ 5,699	$ 566,069	$ 678,397	$ 1,773,059
Investments	3,133,476	4,416,032	3,230,227	546,695	3,383,758	6,207,368	20,917,556
Receivables							
Property taxes	5,775,000	329,985	300,357	1,550,000	-	3,079,032	11,034,374
Accounts	347,577	30,157	-	-	63,537	260,284	701,555
Inventory	10,294	-	-	-	-	-	10,294
Due from other governments	835,633	-	-	-	-	569,612	1,405,245
TOTAL ASSETS	$ 10,449,744	$ 4,859,583	$ 3,622,305	$ 2,102,394	$ 4,013,364	$ 10,794,693	$ 35,842,083

	General	County Bridge	County Matching	IMRF	County Motor Fuel Tax	Nonmajor Governmental Funds	Total Governmental Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES							
Accounts payable	$ 224,920	$ -	$ -	$ -	$ 23,024	$ 137,942	$ 385,886
Accrued payroll	192,746	-	-	-	2,160	44,560	239,466
IMRF payable and withholding	1,335	-	-	201,592	-	-	202,927
Due to others	-	-	-	-	-	7,191	7,191
Unearned revenue	-	-	-	-	-	2,887	2,887
Total liabilities	419,001	-	-	201,592	25,184	192,580	838,357
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	5,775,000	329,985	300,357	1,550,000	-	3,079,032	11,034,374
Total deferred inflows of resources	5,775,000	329,985	300,357	1,550,000	-	3,079,032	11,034,374
Total liabilities and deferred inflows of resources	6,194,001	329,985	300,357	1,751,592	25,184	3,271,612	11,872,731
FUND BALANCES							
Nonspendable - inventory	10,294	-	-	-	-	-	10,294
Restricted for tort liability	-	-	-	-	-	517,413	517,413
Restricted for highways and streets	-	4,420,291	3,270,528	-	3,915,312	1,219,820	12,825,951
Restricted for public safety	-	-	-	-	-	910,853	910,853
Restricted for health and welfare	-	-	-	-	-	638,437	638,437
Restricted for judicial purposes	-	-	-	-	-	681,143	681,143
Restricted for equipment replacement	-	-	-	-	-	634,144	634,144
Restricted for capital purposes	-	-	-	-	-	10,318	10,318
Restricted for debt service	-	-	-	-	-	1,708,848	1,708,848
Restricted for retirement	-	-	-	178,412	-	236,193	414,605
Unrestricted							
Assigned for highways and streets	-	109,307	51,420	-	72,868	162,733	396,328
Assigned for public safety	-	-	-	-	-	76,067	76,067
Assigned for health and welfare	-	-	-	-	-	198,533	198,533
Assigned for judicial purposes	-	-	-	-	-	24,267	24,267
Assigned for equipment replacement	-	-	-	-	-	66,218	66,218
Assigned for capital purposes	-	-	-	-	-	419,735	419,735
Assigned for planning purposes	-	-	-	-	-	25,331	25,331
Assigned for retirement	-	-	-	172,390	-	-	172,390
Unassigned	4,245,449	-	-	-	-	(6,972)	4,238,477
Total fund balances	4,255,743	4,529,598	3,321,948	350,802	3,988,180	7,523,081	23,969,352
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 10,449,744	$ 4,859,583	$ 3,622,305	$ 2,102,394	$ 4,013,364	$ 10,794,693	$ 35,842,083

See accompanying notes to financial statements.

BOONE COUNTY, ILLINOIS

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION

November 30, 2014

FUND BALANCES OF GOVERNMENTAL FUNDS	$ 23,969,352
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	
Capital assets	21,266,181
The loss on refunding of bonds is capitalized and amortized over the life of the bonds on the statement of net position	186,873
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds payable	(6,260,000)
Interest payable	(123,056)
Accrued compensated absences	(555,768)
Net pension obligation	(191,239)
Net other postemployment benefit obligation	(569,310)
Landfill postclosure liability	(176,000)
Bond premium	(366,209)
The net position of the internal service fund is included in the governmental activities in the statement of net position	(217,271)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 36,963,553

See accompanying notes to financial statements.

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BOONE COUNTY, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended November 30, 2014

	General	County Bridge	County Matching	IMRF/ Retirement	County Motor Fuel Tax	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	$ 9,586,652	$ 388,856	$ 339,357	$ 1,457,952	$ -	$ 4,312,204	$ 16,085,021
Licenses and permits	2,907,079	-	-	468	-	430,958	3,338,505
Intergovernmental	1,932,987	128,316	-	-	1,208,694	1,758,991	5,028,988
Charges for services	-	-	-	6,031	-	954,800	960,831
Investment income	6,591	12,430	9,809	1,266	10,470	16,274	56,840
Miscellaneous	378,705	300	-	68,908	5,924	98,632	552,469
Total revenues	14,812,014	529,902	349,166	1,534,625	1,225,088	7,571,859	26,022,654
EXPENDITURES							
Current							
General government	2,893,748	-	-	202,653	-	1,019,494	4,115,895
Public safety	5,011,176	-	-	1,055,809	-	1,413,542	7,480,527
Highways and streets	-	232,633	-	63,923	97,747	752,847	1,147,150
Health and welfare	-	-	-	95,297	-	1,566,616	1,661,913
Judiciary and court related	6,989,895	-	-	356,631	-	613,409	7,959,935
Capital outlay	-	-	535,501	-	763,719	993,874	2,293,094
Debt service							
Principal retirement	-	-	-	-	-	670,000	670,000
Interest and fiscal charges	-	-	-	-	-	276,050	276,050
Total expenditures	14,894,819	232,633	535,501	1,774,313	861,466	7,305,832	25,604,564
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(82,805)	297,269	(186,335)	(239,688)	363,622	266,027	418,090
OTHER FINANCING SOURCES (USES)							
Transfers in	827,689	-	-	-	-	1,027,992	1,855,681
Transfers (out)	(482,922)	-	-	(410,068)	-	(962,691)	(1,855,681)
Proceeds from sale of capital assets	-	-	-	-	-	550	550
Total other financing sources (uses)	344,767	-	-	(410,068)	-	65,851	550
NET CHANGE IN FUND BALANCES	261,962	297,269	(186,335)	(649,756)	363,622	331,878	418,640
FUND BALANCE, DECEMBER 1, 2013	3,993,781	4,232,329	3,508,283	1,000,558	3,624,558	7,191,203	23,550,712
FUND BALANCE, NOVEMBER 30, 2014	$ 4,255,743	$ 4,529,598	$ 3,321,948	$ 350,802	$ 3,988,180	$ 7,523,081	$ 23,969,352

See accompanying notes to financial statements.

BOONE COUNTY, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended November 30, 2014

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ 418,640
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditure; however, they are capitalized and depreciated in the statement of activities	938,923
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation	(1,022,533)
The change in certain long-term liabilities and repayment of the principal portion of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of long-term liabilities in the statement of activities	
Repayment of bonds payable	670,000
Change in accrued interest	12,954
Amortization of loss on refunding of bonds	(46,718)
Increase in net pension obligation	(4,005)
Increase in net other postemployment benefit obligation	(157,310)
Decrease in compensated absences payable	(89,444)
Change in landfill postclosure liability	81,430
Amortization of bond premium	58,795
The change in net position of certain activities of internal service funds is reported with governmental activities	166,142
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 1,026,874

See accompanying notes to financial statements.

BOONE COUNTY, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

November 30, 2014

	Governmental Activities Internal Service Funds
CURRENT ASSETS	
Cash and cash equivalents	59,641
CURRENT LIABILITIES	
Accounts payable	42,768
Due to other funds	-
Claims payable	234,144
Total liabilities	276,912
NET POSITION	
Unrestricted	(217,271)
TOTAL NET POSITION	$ (217,271)

See accompanying notes to financial statements.

BOONE COUNTY, ILLINOIS

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS

For the Year Ended November 30, 2014

	Governmental Activities Internal Service Funds
OPERATING REVENUES	
Charges for services	$ 3,107,933
OPERATING EXPENSES	
Insurance premiums	297,333
Health care claims	2,434,216
Administration expenses	210,727
Total operating expenses	2,942,276
OPERATING INCOME	165,657
NON-OPERATING REVENUES	
Investment income	485
Total non-operating revenues	485
CHANGE IN NET POSITION	166,142
NET POSITION, DECEMBER 1, 2013	(383,413)
NET POSITION, NOVEMBER 30, 2014	$ (217,271)

See accompanying notes to financial statements.

BOONE COUNTY, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended November 30, 2014

	Governmental Activities Internal Service Funds
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	
Receipts from participants	$ 563,337
Receipts from interfund service transactions	2,544,596
Payments to suppliers	(2,978,219)
Net cash provided by operating activities	129,714
CASH FLOWS USED IN NONCAPITAL FINANCING ACTIVITIES	
Payments on interfund loan	(70,558)
Net cash used in noncapital financing activities	(70,558)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
None	-
Net cash from capital and related financing activities	-
CASH FLOWS FROM INVESTING ACTIVITIES	
Receipt of interest	485
Net cash from investing activities	485
NET INCREASE IN CASH AND CASH EQUIVALENTS	59,641
CASH AND CASH EQUIVALENTS, DECEMBER 1, 2013	-
CASH AND CASH EQUIVALENTS, NOVEMBER 30, 2014	$ 59,641
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS USED IN OPERATING ACTIVITIES	
Operating income	$ 165,657
Adjustments to reconcile operating loss to net cash from operating activities	
Effects of changes in operating assets and liabilities	
Accounts payable	361
Claims payable	(36,304)
NET CASH USED IN OPERATING ACTIVITIES	$ 129,714

See accompanying notes to finanical statements.

BOONE COUNTY, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION

November 30, 2014

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 1,765,201
Investments	501,976
Receivables	
Accounts	50,720
TOTAL ASSETS	$ 2,317,897
LIABILITIES	
Accounts payable	$ 10,283
Due to others	2,307,614
TOTAL LIABILITIES	$ 2,317,897

See accompanying notes to financial statements.

BOONE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

November 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Boone County, Illinois (the County), have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

a. Reporting Entity

The County was incorporated under the laws of the State of Illinois in 1837 and operates under an elected 12-member County Board and provides services to the public such as public safety and judicial system, health and social services, road construction and maintenance, planning and zoning and general administrative services. As required by generally accepted accounting principles, these financial statements present the County (the primary government).

The primary government is financially accountable if it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization or there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board if the primary government must approve the organization's budget, tax levies, rates and charges, or issuance of bonded debt and there is a financial benefit or burden to the County.

Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government. The County has no discretely presented or blended component units.

b. Fund Accounting

The accounts of the County are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for all or most of a county's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds committed, restricted or assigned for the acquisition or construction of capital assets (capital projects funds), the funds committed, restricted or assigned for the servicing of long-term debt (debt service funds) and the management of funds held in trust where the interest earnings can be used for governmental services (permanent fund). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the County (internal service funds). The County has no enterprise funds.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments. The County's fiduciary funds consist of agency funds which are used to account for assets that the County holds on behalf of others as their agent.

c. 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 no fiduciary activities of the County. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which 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, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

BOONE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

The General Fund accounts for the resources devoted to finance the services traditionally associated with local government. Any other activity for which a special fund has not been created is accounted for in the General Fund.

The County Bridge Fund accounts for resources, the use of which is restricted by Illinois Compiled Statutes and the costs related to various bridge improvement and maintenance programs which are supported mainly by property taxes.

The County Matching Fund accounts for resources, the use of which is restricted by Illinois Compiled Statutes and the matching of costs related to various road and bridge improvement and maintenance programs which are undertaken in conjunction with funding from the federal or state government. Financing is similar to that for the County Highway Fund.

The Illinois Municipal Retirement Fund (IMRF) accounts for the collection and payment of employee and county pension contributions to IMRF.

The County Motor Fuel Tax Fund accounts for resources, the use of which is restricted by Illinois Compiled Statutes and the costs related to various road and bridge improvement and maintenance programs which are supported mainly by motor fuel taxes.

The County reports the following internal service funds:

The Employee Health Insurance Fund accounts for the revenues and expenses related to the County's employee health plan.

The County reports a variety of agency funds as fiduciary funds to account for assets held by county officials on behalf of others.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements (except the agency funds which do not have a measurement focus). Revenues are recorded when earned and expenses are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Operating revenues and expenses are directly attributable to the operation of the proprietary funds. Non-operating revenue/expenses are incidental to the operations of these funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County recognizes property taxes when they become both measurable and available in the year intended to finance. A 60-day availability period is used for revenue recognition for property taxes. A 90-day availability period is used for revenue recognition for most other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt is recognized when due.

Those revenues susceptible to accrual are property taxes, franchise taxes, state shared sales, income and motor fuel taxes, licenses, interest revenue and charges for services. Fines and permit revenues are not susceptible to accrual because generally they are not measurable until received in cash.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidelines. Monies that are virtually unrestricted as to purpose of expenditure, which are usually revocable only for failure to comply with prescribed compliance requirements, are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

BOONE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The County reports unearned revenue and unavailable revenue on its financial statements. Unavailable revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unearned revenues also arise when resources are received by the County before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability and deferred inflows of resources for unearned and unavailable revenue are removed from the financial statements and revenue is recognized.

The agency funds have no measurement focus but utilize the accrual basis of accounting for reporting its assets and liabilities.

e. Cash and Investments

Cash and Cash Equivalents

For purposes of the statement of cash flows, the County's proprietary funds consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments with maturity greater than one year at time of purchase, if any, are stated at fair value. Non-negotiable certificates of deposit and all other investments are reported at cost.

f. Inventories

Inventories are stated at the cost first-in/first-out (FIFO) method, which approximates net realizable value. The costs of governmental fund inventories are recorded as expenditures when consumed rather than when purchased. Reported inventories are equally offset by nonspendable fund balance which indicates they do not constitute available spendable resources even though they are a component of current assets.

g. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds." Short-term interfund loans, if any, are also classified as "due from other funds" or "due to other funds." Long-term interfund loans, if any, are classified as "advances from other funds" and "advances to other funds."

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Landfill Postclosure Costs

In compliance with GASB Statement No. 18, the County has reported its long-term obligation related to closing costs for a landfill closed in 1992 in the governmental activities.

i. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, right of ways, bridges, storm sewer) and intangible assets (e.g., easements), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as individual assets with an initial, individual cost of more than $10,000 and an estimated useful life in excess of one year. In past years, the County used a policy which defined capital assets as individual assets with an initial cost of more than $1,000 to $10,000 depending on the type of asset and an estimated useful life in excess of one year.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	20-40
Equipment and vehicles	5
Infrastructure	40-50

j. Compensated Absences

County employees are entitled to vacation/sick leave based on their length of employment. Vacation/sick leave that either vests or accumulates is accrued when earned.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Compensated Absences (Continued)

Vested or accumulated vacation/sick leave attributable to employees who were no longer employed as of November 30, 2014 but have yet to be paid out is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it in the fund financial statements. Historically, the General Fund has been used to liquidate these liabilities. Vested or accumulated vacation/sick leave is recorded as an expense and liability of the proprietary funds at all levels and governmental activities at the government-wide level as the benefits accrue to employees.

k. Long-Term Obligations

In the government-wide financial statements and proprietary funds 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 financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year of issuance.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

l. Fund Balances/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the County. Committed fund balance is constrained by formal actions of the County's Board, which is considered the County's highest level of decision making authority. Formal actions include resolutions and ordinances approved by the Board. Assigned fund balance represents amounts constrained by the County's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the County Administrator by designation of the Board. Any residual fund balance is reported as unassigned.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Fund Balances/Net Position (Continued)

The County's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the County considers committed funds to be expended first followed by assigned and then unassigned funds.

The County has not established fund balance reserve policies for their governmental funds.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. None of the County's net position is restricted as a result of enabling legislation adopted by the County. Net investment in capital assets, represents the County's investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset.

m. Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except interfund services provided and used and reimbursements, are reported as transfers.

n. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 expenditures/expenses during the reporting period. Actual results could differ from those estimates.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position/balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position/balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

2. DEPOSITS AND INVESTMENTS

The County maintains an investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements as investments. In addition, investments are separately held by several of the County's funds.

Investment of county funds, by statute, is vested with the County Treasurer. The County Treasurer's investment policy guides the investments of the County. The investment policy permits the County to make deposits/investments, certificates of deposit, savings accounts, checking accounts, NOW accounts, money market accounts and similar bank obligations that are insured by FDIC, credit union obligations that are insured by the National Credit Union Administration, money market mutual funds, the Public Treasurer's Investment Pool and other investment vehicles authorized by the Public Funds Investment Act.

It is the policy of the County to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the County and conforming to all state and local statutes governing the investment of public funds, using the prudent person standard for managing the overall portfolio. The primary objective of the policy is legality, safety (preservation of capital and protection of investment principal), liquidity, public confidence, diversity and yield.

a. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance with the collateral held by an independent third party acting as the County's agent.

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments

The following table presents the investment and maturities of the County's investments at November 30, 2014:

Investment Type	Fair Value	Investment in Maturities (In Years) Less than 1	1-5	6-10	Greater than 10
The Illinois Metropolitan Investment Fund 1-3 Year Fund	$ 1,509,146	$ -	$ 1,509,146	$ -	$ -

In accordance with its investment policy, the County limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a short-term period. The investment policy does not limit the maximum maturity length of investments. However, the policy does require the County to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations.

The County limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by only allowing funds to be invested in a manner such that the principal is not at risk of loss. The Illinois Metropolitan Investment Fund (IMET) 1-3 Year Fund is rated Aaa-bf by Moody's as of November 30, 2014.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the County will not be able to recover the value of its investments that are in possession of an outside party. The County's investment policy does not address custodial credit risk.

Concentration of credit risk - the County's investment policy requires diversification of the portfolio to minimize risk of loss and maximize rate of return but does not contain any specific diversification targets.

3. RECEIVABLES - PROPERTY TAXES

Property taxes for 2013 attached as an enforceable lien on January 1, 2013, on property values assessed as of the same date. Taxes are levied by December of the same fiscal year (by passage of a Tax Levy Ordinance). Tax bills were prepared by the County and issued on or about May 1, 2014, and were payable in two installments on or about June 1, 2014 and September 1, 2014. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy to reflect actual collection experience.

BOONE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. RECEIVABLES - PROPERTY TAXES (Continued)

The County has elected, under governmental accounting standards, to match its property tax revenues to the fiscal year that the tax levy is intended to finance. Therefore, the entire 2013 tax levy has been recorded as a receivable and unavailable revenue on the financial statements.

4. CAPITAL ASSETS

Capital asset activity for the year ended November 30, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
GOVERNMENTAL ACTIVITIES					
Capital assets not being depreciated					
Land	$ 819,128	$ 128,000	$ -	$ -	$ 947,128
Construction in progress	223,227	113,542	-	(131,352)	205,417
Total capital assets not being depreciated	1,042,355	241,542	-	(131,352)	1,152,545
Capital assets being depreciated					
Infrastructure	9,791,835	-	-	-	9,791,835
Buildings and improvements	20,679,758	206,734	(5,000)	131,352	21,012,844
Equipment and vehicles	8,830,871	490,647	-	-	9,321,518
Total capital assets being depreciated	39,302,464	697,381	(5,000)	131,352	40,126,197
Less accumulated depreciation for					
Infrastructure	3,114,799	202,937	-	-	3,317,736
Buildings and improvements	7,958,223	492,089	(5,000)	-	8,445,312
Equipment and vehicles	7,922,006	327,507	-	-	8,249,513
Total accumulated depreciation	18,995,028	1,022,533	(5,000)	-	20,012,561
Total capital assets being depreciated, net	20,307,436	(325,152)	-	131,352	20,113,636
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	$ 21,349,791	$ (83,610)	$ -	$ -	$ 21,266,181

Depreciation expense was charged to functions/programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES	
General government	$ 233,783
Public safety	436,437
Highway and streets	237,972
Health and welfare	39,836
Judiciary and court related	74,505
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	$ 1,022,533

5. LONG-TERM DEBT

The following is a summary of changes in long-term liabilities during the fiscal year:

	Beginning Balances	Additions	Reductions	Ending Balances	Current Portion
GOVERNMENTAL ACTIVITIES					
Compensated absences	$ 466,324	$ 555,767	$ 466,323	$ 555,768	$ 208,372
Bonds payable	6,930,000	-	670,000	6,260,000	675,000
Bond premium	425,004	-	58,795	366,209	58,795
Landfill postclosure costs	257,430	-	81,430	176,000	75,830
Net pension obligation	187,234	4,005	-	191,239	-
Other postemployment benefit	412,000	157,310	-	569,310	-
TOTAL GOVERNMENTAL ACTIVITIES	$ 8,677,992	$ 717,082	$ 1,276,548	$ 8,118,526	$ 1,017,997

The landfill postclosure costs are retired from the Landfill Fund (See Note 9d). The compensated absences liability and other postemployment benefit obligation have historically been retired by the General Fund.

Bonds Payable

On December 15, 2008, the County issued $4,295,000 in Alternate Revenue Bonds, Series 2008A. These bonds were issued for the courthouse and Logan Avenue expansion and remodel project. Interest is payable semiannually on December 15 and June 15 at rates of 2.65% to 7.00%. Principal is payable annually on December 15, beginning December 15, 2009 through December 15, 2028. The bonds are repaid by the Courthouse Construction Fund.

On September 5, 2012, the County issued $3,180,000 General Obligation Refunding Bonds, Alternate Revenue Source, Series 2012 with an average rate of 3% to advance refund $4,060,000 of outstanding General Obligation Refunding Bonds, Series 2005 with an average interest rate of 3.6%. Interest is payable semiannually on December 1 and June 1 at rates of 2% to 3%. Principal is payable annually on December 1, beginning on December 1, 2013 through December 1, 2018. The bonds are being repaid by the Public Safety Sales Tax Fund.

The County has pledged the 1% sales tax and ¼ of 1% supplemental sales tax for the repayment of the Alternate Revenue Source, Series 2008A. The total principal and interest remaining to be paid on the bonds as of November 30, 2014 is $5,094,924. During the current fiscal year, the principal and interest paid of $362,944 was approximately 24% of total sales tax revenues.

The County has pledged the ½ of 1% of the Special County Occupation Tax for Public Safety for the repayment of the Alternate Revenue Source, Series 2012. The total principal and interest to be paid on the bonds as of November 30, 2014 is $2,860,450. During the current fiscal year, the principal and interest paid of $582,200 was approximately 40% of total public safety sales tax revenues.

5. LONG-TERM DEBT (Continued)

Annual debt service to maturity for the County's bonds payable are as follows:

Fiscal Year	Principal	Interest	Total
2015	$ 675,000	$ 248,069	$ 923,069
2016	705,000	220,168	925,168
2017	720,000	193,294	913,294
2018	740,000	167,694	907,694
2019	770,000	143,994	913,994
2020-2024	1,165,000	526,595	1,691,595
2025-2029	1,485,000	195,560	1,680,560
TOTAL	$ 6,260,000	$ 1,695,374	$ 7,955,374

6. INTERFUND TRANSACTIONS

Transfers to/from other funds at November 30, 2014 consist of the following:

	Transfer From	Transfer To
General	$ 482,922	$ 827,689
IMRF	410,068	-
Nonmajor governmental funds	962,691	1,027,992
TOTAL	$ 1,855,681	$ 1,855,681

The purposes of the significant transfers to/from other funds are as follows:

- $482,922 was transferred from the General Fund to nonmajor governmental funds as follows:

  a) $45,000 was transferred to the Planning Department Fund (a nonmajor governmental fund) to support operations of the department. This transfer will not be repaid.

  b) $74,500 was transferred to the Landfill Closure Fund (a nonmajor governmental fund) to fund mandated activities of Landfill #2. This transfer will not be repaid.

  c) $363,422 was transferred to the Courthouse Construction Fund (a nonmajor governmental fund) for debt service on Alternate Revenue Source Series 2008A bonds. This transfer will not be repaid.

6. INTERFUND TRANSACTIONS (Continued)

- $827,689 was transferred from nonmajor governmental funds to the General Fund as follows:

  a) $57,000 was transferred from the Court Security Fund (a nonmajor governmental fund) to the General Fund to support operations. This transfer will not be repaid.

  b) $15,000 was transferred from the Document Storage Fund (a nonmajor governmental funds) to the General Fund to support operations. This transfer will not be repaid.

  c) $55,000 was transferred from the Office Automation Fund (a nonmajor governmental fund) to the General Fund to support personnel costs. This transfer will not be repaid.

  d) $525,000 was transferred from the Public Safety Sales Tax Fund (a nonmajor governmental fund) to the General Fund to subsidize personnel jail maintenance expenses. This transfer will not be repaid.

  e) $30,000 was transferred from the Maintenance and Child Support Fund (a nonmajor governmental fund) to the General Fund to support personnel costs in the Circuit Clerk's office related to administering court ordered maintenance and child support cases. This transfer will not be repaid.

  f) $55,000 was transferred from the Probation Services Fund (a nonmajor governmental fund) to the General Fund to support operations. This transfer will not be repaid.

  g) $90,389 was transferred from the GIS Fund (a nonmajor governmental fund) to the General Fund to support operations. This transfer will not be repaid.

- $410,068 was transferred from the IMRF/Retirement Fund to the FICA Fund to separately report the FICA Fund.

- $120,825 was transferred between nonmajor governmental funds as follows:

  a) $87,690 was transferred from the Health Grant Fund to the Health Fund to allocate revenue and expenditures to the right fund. This transfer will not be repaid.

  b) $29,636 was transferred from the Health Fund to the Health Grant Fund to allocate revenue and expenditures to the right fund. This transfer will not be repaid.

6. INTERFUND TRANSACTIONS (Continued)

c) $3,499 was transferred from the Animal Services Fund to the Animal Control Fund to reclassify beginning fund balance to the right fund. This transfer will not be repaid.

d) $14,177 was transferred from the Maplecrest Fund to the Property Maintenance Fund to establish the Property Maintenance Fund.

7. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The County participates in a risk pool, the Counties of Illinois Risk Management Association (CIRMA), for general liability, workers' compensation and other risks accounted for in the Liability Insurance Fund. The pool is responsible for establishing the rights and responsibilities of the member agencies and retains the risk of loss.

For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

The County is also exposed to risks of loss relating to medical insurance claims of its employees. The County is self-insuring its employee medical benefits up to $75,000 per plan year for each employee or dependent covered, and maintains coverage with an insurance carrier for excess amounts. The County also maintains aggregate stop loss coverage with a minimum point of attachment of $2,582,947. This plan is administered by outside administrators who process the claims. The County has established an Employee Health Insurance Fund (an internal service fund) to account for its medical insurance claims. Each participating fund makes payments to the Employee Health Insurance Fund for amounts which are determined on an annual basis.

Such payments are displayed on the fund financial statements as revenues and expenditures (interfund service transactions).

As of November 30, 2014, a liability has been recorded for all known claims plus an estimate for those claims incurred but not reported. All claims incurred and not reported are expected to be paid from currently available resources. Claims payable are recorded in the Employee Health Insurance Fund at November 30, 2014.

7. RISK MANAGEMENT (Continued)

Changes in the health insurance claims payable in fiscal year 2014 and 2013 were:

Fiscal Year Ended November 30,	Beginning of Year Balance	Claims Incurred	Claims Paid	End of Year Balance
2014	$ 561,936	$ 2,443,823	$ 2,739,555	$ 266,204
2013	299,684	2,713,244	2,450,992	561,936

8. RENTAL INCOME

During 1999, the County entered into an agreement to lease Maplecrest Nursing Center (Maplecrest) to an outside party. The lease was renegotiated with another party in December 2011 and has a term of eight years, at which point it was renewed for an additional ten-year term. The County will receive rent in the following amounts: $102,643 for the year beginning December 2011 and 4% increases each year until 2029. Maplecrest will continue to be used and occupied as a skilled and/or intermediate care nursing home, with the lessee adopting the County's admission policy. Upon termination of the lease, the County will retain ownership of Maplecrest and all related capital assets. The County recognized lease revenue of $115,075 for the year ended November 30, 2014.

9. CONTINGENT LIABILITIES

a. Litigation

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County's attorney that resolution of these matters will not have a material adverse effect on the financial condition of the County.

b. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

c. Property Tax Appeals

The County currently has various property tax appeals pending in front of the Property Tax Appeal Board. The outcome of these appeals is uncertain at this time. In the event the County does not prevail, property taxes collected from these property owners would need to be refunded.

9. CONTINGENT LIABILITIES (Continued)

d. Landfill Closure Costs

The Belvidere/Boone County Landfill #2 ceased accepting solid waste in September of 1992. State and federal laws and regulations require that Boone County, Illinois place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill for at least 15 years. The landfill has been covered and postclosure care was continued. The County must meet certain groundwater parameters for inorganic compounds before it can discontinue monitoring the site. The County has petitioned the Illinois EPA (IEPA) and the Pollution Control Board for an "Adjusted Standard" in the currently in-place groundwater monitoring parameters. This petition was withdrawn by the County due to an agreement reached with the IEPA in March 2004. The agreement involves installing additional methane gas wells and a leachate extraction system at the landfill. This is considered remedial action. The County's remaining share of the estimated liability for landfill postclosure costs is $176,000 as of November 30, 2014, which has been recorded as a liability on the government-wide financial statement of net position.

The County has received notification for the IEPA that additional remediation may be necessary. The scope of this remediation as well as an estimated cost cannot be determined at year end.

e. Operating Leases

The County has one equipment operating lease outstanding as of November 30, 2014, which expires November 30, 2016. The minimum annual lease payments range from $556 to $4,260. A summary of the future lease commitments under these operating leases as of November 30, 2014, are as follows:

Year Ending November 30,	
2015	$ 15,989
2016	13,433
2017	12,828
2018	10,182
2019	8,292
2020	2,764

10. EMPLOYEE RETIREMENT SYSTEMS

The County contributes to three agent multiple-employer defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), Elected County Officials (ECO, also administered by IMRF) and the Sheriff's Law Enforcement Personnel (SLEP, also administered by IMRF). The benefits, benefit levels, employee contributions and employer contributions for all three plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report upon that includes financial statements and supplementary information for the plan as a whole, but not by individual employers. That report can be obtained from online at www.imrf.org.

a. Plan Descriptions

Illinois Municipal Retirement Fund (IMRF)

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.5% of their annual salary to IMRF. The County is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer rate for calendar year 2014 used by the employer was 11.38% of annual covered payroll. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at IMRF level. Contribution rates for disability and death benefits are set by IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Elected County Officials (ECO)

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF ECO provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 3% of their final rate of earnings, for each year of credited service up to 8 years, 4% for each year after eight years up to twelve years and 5% for each year thereafter to a maximum of 80% at 20 years of service.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after eight or ten years of service. Participating members who retire at age 55 with eight years of Tier 2 service credit or after age 62 with ten years of Tier 2 service credit are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 3% of their final rate of earnings, for each year of credited service up to eight years, 4% for each year after eight years up to twelve years and 5% for each year thereafter to a maximum of 80% at 20 years of service.

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 7.5% of their annual salary to IMRF. The County is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute.

The employer rate for calendar year 2014 used by the employer was 18.51% of annual covered payroll. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Sheriff's Law Enforcement Personnel (SLEP)

Sheriff's Law Enforcement Personnel (SLEP) having accumulated at least 20 years of SLEP service and terminating IMRF participation on or after January 1, 1988, may elect to retire at or after age 50 with no early retirement discount penalty. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. SLEP members meeting the two qualifications described in the first sentence of this paragraph are entitled to an annual retirement benefit payable monthly for life, in an amount equal to 2 1/2% of their final rate of earnings for each year of credited service. For SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 55 with ten years of Tier 2 service credit are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2 1/2% of their final rate of earnings for each year of credited service. The pension for participating members who retire between age 50 and 55 will be reduced by ½% for each month under age 55.

SLEP also provides death and disability benefits. These benefit provisions and all other requirements are established by Illinois Compiled Statute. Participating members are required to contribute 7.5% of their annual salary to SLEP. The County is required to contribute the remaining amounts necessary to fund SLEP as specified by statute. The employer rate for calendar year 2014 used by the employer was 23.42% of annual covered payroll. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Elected County Officials	Sheriff's Law Enforcement Personnel
Actuarial valuation date	December 31, 2012	December 31, 2012	December 31, 2012
Actuarial cost method	Entry-age Normal	Entry-age Normal	Entry-age Normal
Asset valuation method	5 Year Smoothed Market	5 Year Smoothed Market	5 Year Smoothed Market
Amortization method	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll
Amortization period	30 Years, Open	30 Years, Open	30 Years, Open
Significant actuarial assumptions			
a) Rate of return on present and future assets	7.5% Compounded Annually	7.5% Compounded Annually	7.5% Compounded Annually
b) Projected salary increase - attributable to inflation	4.0% Compounded Annually	4.0% Compounded Annually	4.0% Compounded Annually
c) Additional projected salary increases - seniority/merit	0.40% to 10.0%	0.40% to 10.0%	0.40% to 10.0%
d) Postretirement benefit increases	3.0%	3.0%	3.0%

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Annual Pension Costs (Continued)

Employer annual pension cost (APC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the APC and the contributions actually made.

	Fiscal Year	Illinois Municipal Retirement	Elected County Officials	Sheriff's Law Enforcement Personnel
Annual pension cost (APC)	2012	$ 929,496	$ 1,315	$ 539,610
	2013	990,849	16,074	555,106
	2014	986,159	4,373	575,479
Actual contribution	2012	$ 929,496	$ -	$ 539,610
	2013	988,271	14,731	555,106
	2014	983,526	3,001	575,479
Percentage of APC contributed	2012	100.00%	0.00%	100.00%
	2013	99.74%	91.64%	100.00%
	2014	99.73%	68.62%	100.00%
Net pension obligation (NPO)	2012	$ 120,518	$ 62,794	$ -
	2013	123,096	64,138	-
	2014	125,729	65,510	-

The net pension obligation was calculated as follows:

	Illinois Municipal Retirement	Elected County Officials
Annual required contribution	$ 983,526	$ 3,001
Interest on net pension obligation	9,232	4,810
Adjustment to annual required contribution	(6,599)	(3,438)
Annual pension cost	986,159	4,373
Contribution made	983,526	3,001
Increase in net pension obligation	2,633	1,372
Net pension obligation, beginning of year	123,096	64,138
NET PENSION OBLIGATION, END OF YEAR	$ 125,729	$ 65,510

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Funded Status

The funded status of the plans as of December 31, 2014 is based on actuarial valuations performed as of December 31, 2014 for IMRF, ECO and SLEP and is as follows. The actuarial assumptions used to determine the funded status of the plans are the same actuarial assumptions used to determine the employer APC of the plans as disclosed above.

	Illinois Municipal Retirement	Elected County Officials	Sheriff's Law Enforcement Personnel
Actuarial accrued liability (AAL)	$ 25,555,670	$ 834,762	$ 10,869,455
Actuarial value of plan assets	22,468,312	(972,579)	7,659,245
Unfunded actuarial accrued liability (UAAL)	3,087,358	1,807,341	3,210,210
Funded ratio (actuarial value of plan assets/AAL)	87.92%	(116.51)%	70.47%
Covered payroll (active plan members)	$ 8,610,902	$ -	$ 2,472,619
UAAL as a percentage of covered payroll	35.85%	0.00%	129.83%

See the schedules of funding progress in the required supplementary information immediately following the notes to financial statements for additional information related to the funded status of the plans.

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

a. Plan Description

In addition to providing pension benefits, the County is required by Illinois Compiled Statutes (ILCS) to provide certain health care benefits for retired employees. Substantially all of the County's employees may become eligible for those benefits if they reach normal retirement age while working for the County and retire through IMRF, ECO or SLEP. Retiree participants electing those benefits are required to contribute 80% to 100% of the cost of the premium monthly for the coverage. The cost of retiree health care is recognized as an expenditure as claims are paid.

b. Benefits Provided

The County provides continued health insurance coverage at the blended employee rate to all eligible retirees in accordance with ILCS, which creates an explicit and implicit subsidy of retiree health insurance. To be eligible for benefits, an employee must qualify for retirement under the County's retirement plan. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the retiree is no longer eligible to participate in the plan, but can purchase a medicare supplement plan from the County's insurance provider.

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

c. Membership

At November 30, 2013, membership consisted of:

Retirees and beneficiaries currently receiving benefits	9
Terminated employees entitled to benefits but not yet receiving them active employees	204
TOTAL	213
Participating employers	1

d. Funding Policy

The County is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

e. Annual OPEB Costs and Net OPEB Obligation

The County annual OPEB costs, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2014 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
November 30, 2012	$ 120,556	$ 15,113	12.54%	$ 297,671
November 30, 2013	154,127	39,798	25.82%	412,000
November 30, 2014	178,827	21,517	12.03%	569,310

The net OPEB obligation as of November 30, 2014 was calculated as follows:

Annual required contribution	$ 174,494
Interest on net OPEB obligation	18,540
Adjustment to annual required contribution	(14,207)
Annual OPEB cost	178,827
Contributions made	21,517
Increase in net OPEB obligation	157,310
Net OPEB obligation, beginning of year	412,000
NET OPEB OBLIGATION, END OF YEAR	$ 569,310

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

Funded Status and Funding Progress - The funded status of the plan as of December 1, 2014 (the date of the last actuarial valuation) was as follows:

Actuarial accrued liability (AAL)	$ 1,727,434
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	1,727,434
Funded ratio (actuarial value of plan assets/AAL)	0.0%
Covered payroll (active plan members)	$ 10,112,244
UAAL as a percentage of covered payroll	17.08%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 1, 2014 actuarial valuation, the entry-age normal actuarial cost method was used. The actuarial assumptions included an investment return rate of 4.5% and an initial healthcare cost trend rate of 7.5% with an ultimate healthcare inflation rate of 5%. Both rates include a 3% inflation assumption. The actuarial value of assets was not determined as the County has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level dollar of projected payroll on a closed basis. The remaining amortization period at December 1, 2014 was 30 years.

12. AUTHORIZED BONDS

On February 4, 2015, the County authorized the issuance of $800,000 in General Obligation Alternate Bonds, Series 2015 to finance capital improvements for construction of an Animal Services building.

On February 18, 2015, the County authorized the issuance of General Obligation Refunding Bonds to refund the Series 2008A Courthouse Bonds.

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APPENDIX B
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's rating: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to any Tender/Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to any Tender/Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to any Tender/Remarketing Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the County or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

APPENDIX C
PROPOSED FORM OF OPINION OF BOND COUNSEL

August 5, 2015

The County Board of
The County of Boone, Illinois
Belvidere, Illinois

Dear Members:

We have examined a record of proceedings relating to the issuance of $_____,000 principal amount of General Obligation Refunding Bonds, Sales Tax Alternate Revenue Source, Series 2015 (the "Bonds") of The County of Boone, a political subdivision of the State of Illinois. The Bonds are authorized and issued pursuant to the provisions of the Counties Code, 55 Illinois Compiled Statutes 5, and the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350, and by virtue of an ordinance adopted by the County Board of the County on July 15, 2015, and entitled: "Ordinance Authorizing the Issuance of General Obligation Refunding Bonds, Sales Tax Alternate Revenue Source, Series 2015A, of The County of Boone, Illinois" (the "Bond Ordinance").

The Bonds are "alternate bonds" under the provisions of Section 15 of the Local Government Debt Reform Act. The Bonds are issuable in the form of fully registered bonds in the denominations of $5,000 and any integral multiple thereof. The Bonds delivered on original issuance are dated August 5, 2015. The Bonds mature on December 15, in each of the following years in the respective principal amount set opposite each such year in the following table, and the Bonds maturing in each such year bear interest from their date payable on December 15, 2015 and semiannually thereafter on each June 15 and December 15, at the respective rate of interest per annum set forth opposite such year:

Year	Principal Amount	Interest Rate
20__	$,000	. %
20__	,000	
20__	,000	
20__	,000	
20__	,000	
20__	,000	

The Bonds maturing on or after December 15, 2025 are subject to redemption prior to maturity at the option of the County, in such principal amounts and from such maturities as the County shall determine and by lot within a single maturity, on December 15, 2024 and on any date thereafter, at a redemption price equal to the principal amount thereof to be redeemed.

The Bonds maturing on December 15 of the years 20__ and 20__ (the "Term Bonds") are subject to mandatory sinking fund redemption, in part and by lot, at a redemption price equal to the principal amount thereof to be redeemed, on December 15 of the following years and in the following principal amounts:

20__ Term Bonds		20__ Term Bonds	
Year	Principal Amount	Year	Principal Amount
20__	$,000	20__	$,000
		20__	,000

In our opinion, the Bonds are valid and legally binding general obligations of The County of Boone, and the County has power and is obligated to levy ad valorem taxes upon all the taxable property within the County for the payment of the Bonds and the interest thereon, without limitation as to rate or amount. However, the enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and remedies heretofore or hereafter enacted.

We are of the opinion that, under existing law, interest on the Bonds is not includable in the gross income of the owners thereof for Federal income tax purposes. If there is continuing compliance with the applicable requirements of the Internal Revenue Code of 1986 (the "Code"), we are of the opinion that interest on the Bonds will continue to be excluded from the gross income of the owners thereof for Federal income tax purposes. We are further of the opinion that the Bonds are not "private activity bonds" within the meaning of Section 141(a) of the Code. Accordingly, interest on the Bonds is not an item of tax preference for purposes of computing individual or corporate alternative minimum taxable income. However, interest on the Bonds is includable in corporate earnings and profits and therefore must be taken into account when computing corporate alternative minimum taxable income for purposes of the corporate alternative minimum tax.

The Code contains certain requirements that must be satisfied from and after the date hereof in order to preserve the exclusion from gross income for Federal income tax purposes of interest on the Bonds. These requirements relate to the use and investment of the proceeds of the Bonds, the payment of certain amounts to the United States, the security and source of payment of the Bonds and the use of the property financed with the proceeds of the Bonds. The County has covenanted in the Bond Ordinance to comply with these requirements.

With respect to the exclusion from gross income for Federal income tax purposes of interest on the Bonds we have relied on the verification report of _____, certified public accountants, regarding the computation of the arbitrage yield on the Bonds and of certain investments made with the proceeds of the Bonds.

Pursuant to the Bond Ordinance, the County has designated the Bonds as "qualified tax-exempt obligations" as defined in Section 265(b)(3)(B) of the Code.

Interest on the Bonds is not exempt from Illinois income taxes.

Very truly yours,

APPENDIX D

THE COUNTY OF BOONE

EXCERPTS OF FISCAL YEAR 2014 AUDITED FINANCIAL STATEMENTS RELATING TO THE COUNTY'S PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS

10. EMPLOYEE RETIREMENT SYSTEMS

The County contributes to three agent multiple-employer defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), Elected County Officials (ECO, also administered by IMRF) and the Sheriff's Law Enforcement Personnel (SLEP, also administered by IMRF). The benefits, benefit levels, employee contributions and employer contributions for all three plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report upon that includes financial statements and supplementary information for the plan as a whole, but not by individual employers. That report can be obtained from online at www.imrf.org.

a. Plan Descriptions

Illinois Municipal Retirement Fund (IMRF)

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.5% of their annual salary to IMRF. The County is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer rate for calendar year 2014 used by the employer was 11.38% of annual covered payroll. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at IMRF level. Contribution rates for disability and death benefits are set by IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Elected County Officials (ECO)

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF ECO provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 3% of their final rate of earnings, for each year of credited service up to 8 years, 4% for each year after eight years up to twelve years and 5% for each year thereafter to a maximum of 80% at 20 years of service.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after eight or ten years of service. Participating members who retire at age 55 with eight years of Tier 2 service credit or after age 62 with ten years of Tier 2 service credit are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 3% of their final rate of earnings, for each year of credited service up to eight years, 4% for each year after eight years up to twelve years and 5% for each year thereafter to a maximum of 80% at 20 years of service.

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 7.5% of their annual salary to IMRF. The County is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute.

The employer rate for calendar year 2014 used by the employer was 18.51% of annual covered payroll. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Sheriff's Law Enforcement Personnel (SLEP)

Sheriff's Law Enforcement Personnel (SLEP) having accumulated at least 20 years of SLEP service and terminating IMRF participation on or after January 1, 1988, may elect to retire at or after age 50 with no early retirement discount penalty. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. SLEP members meeting the two qualifications described in the first sentence of this paragraph are entitled to an annual retirement benefit payable monthly for life, in an amount equal to 2 1/2% of their final rate of earnings for each year of credited service. For SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 55 with ten years of Tier 2 service credit are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2 1/2% of their final rate of earnings for each year of credited service. The pension for participating members who retire between age 50 and 55 will be reduced by ½% for each month under age 55.

SLEP also provides death and disability benefits. These benefit provisions and all other requirements are established by Illinois Compiled Statute. Participating members are required to contribute 7.5% of their annual salary to SLEP. The County is required to contribute the remaining amounts necessary to fund SLEP as specified by statute. The employer rate for calendar year 2014 used by the employer was 23.42% of annual covered payroll. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Elected County Officials	Sheriff's Law Enforcement Personnel
Actuarial valuation date	December 31, 2012	December 31, 2012	December 31, 2012
Actuarial cost method	Entry-age Normal	Entry-age Normal	Entry-age Normal
Asset valuation method	5 Year Smoothed Market	5 Year Smoothed Market	5 Year Smoothed Market
Amortization method	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll
Amortization period	30 Years, Open	30 Years, Open	30 Years, Open
Significant actuarial assumptions			
a) Rate of return on present and future assets	7.5% Compounded Annually	7.5% Compounded Annually	7.5% Compounded Annually
b) Projected salary increase - attributable to inflation	4.0% Compounded Annually	4.0% Compounded Annually	4.0% Compounded Annually
c) Additional projected salary increases - seniority/merit	0.40% to 10.0%	0.40% to 10.0%	0.40% to 10.0%
d) Postretirement benefit increases	3.0%	3.0%	3.0%

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Annual Pension Costs (Continued)

Employer annual pension cost (APC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the APC and the contributions actually made.

	Fiscal Year	Illinois Municipal Retirement	Elected County Officials	Sheriff's Law Enforcement Personnel
Annual pension cost (APC)	2012	$ 929,496	$ 1,315	$ 539,610
	2013	990,849	16,074	555,106
	2014	986,159	4,373	575,479
Actual contribution	2012	$ 929,496	$ -	$ 539,610
	2013	988,271	14,731	555,106
	2014	983,526	3,001	575,479
Percentage of APC contributed	2012	100.00%	0.00%	100.00%
	2013	99.74%	91.64%	100.00%
	2014	99.73%	68.62%	100.00%
Net pension obligation (NPO)	2012	$ 120,518	$ 62,794	$ -
	2013	123,096	64,138	-
	2014	125,729	65,510	-

The net pension obligation was calculated as follows:

	Illinois Municipal Retirement	Elected County Officials
Annual required contribution	$ 983,526	$ 3,001
Interest on net pension obligation	9,232	4,810
Adjustment to annual required contribution	(6,599)	(3,438)
Annual pension cost	986,159	4,373
Contribution made	983,526	3,001
Increase in net pension obligation	2,633	1,372
Net pension obligation, beginning of year	123,096	64,138
NET PENSION OBLIGATION, END OF YEAR	$ 125,729	$ 65,510

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Funded Status

The funded status of the plans as of December 31, 2014 is based on actuarial valuations performed as of December 31, 2014 for IMRF, ECO and SLEP and is as follows. The actuarial assumptions used to determine the funded status of the plans are the same actuarial assumptions used to determine the employer APC of the plans as disclosed above.

	Illinois Municipal Retirement	Elected County Officials	Sheriff's Law Enforcement Personnel
Actuarial accrued liability (AAL)	$ 25,555,670	$ 834,762	$ 10,869,455
Actuarial value of plan assets	22,468,312	(972,579)	7,659,245
Unfunded actuarial accrued liability (UAAL)	3,087,358	1,807,341	3,210,210
Funded ratio (actuarial value of plan assets/AAL)	87.92%	(116.51)%	70.47%
Covered payroll (active plan members)	$ 8,610,902	$ -	$ 2,472,619
UAAL as a percentage of covered payroll	35.85%	0.00%	129.83%

See the schedules of funding progress in the required supplementary information immediately following the notes to financial statements for additional information related to the funded status of the plans.

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

a. Plan Description

In addition to providing pension benefits, the County is required by Illinois Compiled Statutes (ILCS) to provide certain health care benefits for retired employees. Substantially all of the County's employees may become eligible for those benefits if they reach normal retirement age while working for the County and retire through IMRF, ECO or SLEP. Retiree participants electing those benefits are required to contribute 80% to 100% of the cost of the premium monthly for the coverage. The cost of retiree health care is recognized as an expenditure as claims are paid.

b. Benefits Provided

The County provides continued health insurance coverage at the blended employee rate to all eligible retirees in accordance with ILCS, which creates an explicit and implicit subsidy of retiree health insurance. To be eligible for benefits, an employee must qualify for retirement under the County's retirement plan. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the retiree is no longer eligible to participate in the plan, but can purchase a medicare supplement plan from the County's insurance provider.

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

c. Membership

At November 30, 2013, membership consisted of:

Retirees and beneficiaries currently receiving benefits	9
Terminated employees entitled to benefits but not yet receiving them active employees	204
TOTAL	213
Participating employers	1

d. Funding Policy

The County is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

e. Annual OPEB Costs and Net OPEB Obligation

The County annual OPEB costs, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2014 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
November 30, 2012	$ 120,556	$ 15,113	12.54%	$ 297,671
November 30, 2013	154,127	39,798	25.82%	412,000
November 30, 2014	178,827	21,517	12.03%	569,310

The net OPEB obligation as of November 30, 2014 was calculated as follows:

Annual required contribution	$ 174,494
Interest on net OPEB obligation	18,540
Adjustment to annual required contribution	(14,207)
Annual OPEB cost	178,827
Contributions made	21,517
Increase in net OPEB obligation	157,310
Net OPEB obligation, beginning of year	412,000
NET OPEB OBLIGATION, END OF YEAR	$ 569,310

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

Funded Status and Funding Progress - The funded status of the plan as of December 1, 2014 (the date of the last actuarial valuation) was as follows:

Actuarial accrued liability (AAL)	$ 1,727,434
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	1,727,434
Funded ratio (actuarial value of plan assets/AAL)	0.0%
Covered payroll (active plan members)	$ 10,112,244
UAAL as a percentage of covered payroll	17.08%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 1, 2014 actuarial valuation, the entry-age normal actuarial cost method was used. The actuarial assumptions included an investment return rate of 4.5% and an initial healthcare cost trend rate of 7.5% with an ultimate healthcare inflation rate of 5%. Both rates include a 3% inflation assumption. The actuarial value of assets was not determined as the County has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level dollar of projected payroll on a closed basis. The remaining amortization period at December 1, 2014 was 30 years.

BOONE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
IMRF/RETIREMENT FUND

For the Year Ended November 30, 2014

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes	$ 1,475,000	$ 1,457,952	$ (17,048)
Licenses and permits	-	468	468
Charges for services	-	6,031	6,031
Investment income	-	1,266	1,266
Miscellaneous	96,849	68,908	(27,941)
Total revenues	1,571,849	1,534,625	(37,224)
EXPENDITURES			
General government			
Personnel	194,202	202,242	8,040
Supplies and services	-	411	411
Public safety			
Personnel	1,030,039	1,055,809	25,770
Highways and streets			
Personnel	62,363	63,923	1,560
Health and welfare			
Personnel	127,123	95,297	(31,826)
Judicial and court related			
Personnel	347,927	356,631	8,704
Total expenditures	1,761,654	1,774,313	12,659
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(189,805)	(239,688)	(49,883)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	(410,068)	(410,068)
Total other financing sources (uses)	-	(410,068)	(410,068)
NET CHANGE IN FUND BALANCE	$ (189,805)	(649,756)	$ (459,951)
FUND BALANCE, DECEMBER 1, 2013		1,000,558	
FUND BALANCE, NOVEMBER 30, 2014		$ 350,802	

(See independent auditor's report.)

BOONE COUNTY, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND - COUNTY REGULAR PLAN

November 30, 2014

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2014	$ 22,468,312	$ 25,555,670	87.92%	$ 3,087,358	$ 8,610,902	35.85%
2013	20,405,122	23,826,830	85.64%	3,421,708	8,362,771	40.92%
2012	18,086,035	22,293,909	81.13%	4,207,874	7,824,558	53.78%
2011	15,935,700	20,546,267	77.56%	4,610,567	7,472,363	61.70%
2010	16,199,144	20,621,926	78.55%	4,422,782	7,667,562	57.68%
2009	15,601,919	19,608,568	79.57%	4,006,649	7,997,835	50.10%

(See independent auditor's report.)

BOONE COUNTY, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND - ELECTED COUNTY OFFICIALS

November 30, 2014

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2014	$ (972,579)	$ 834,762	(116.51%)	$ 1,807,341	$ -	* 0.00%
2013	(304,181)	1,724,762	(17.64%)	2,028,943	87,420	* 2320.91%
2012	(614,616)	1,737,436	(35.37%)	2,352,052	-	* 0.00%
2011	(565,584)	1,717,968	(32.92%)	2,283,552	-	* 0.00%
2010	(656,642)	1,575,894	(41.67%)	2,232,536	109,556	2037.80%
2009	(645,057)	1,515,260	(42.57%)	2,160,317	112,444	1921.24%

* - There is no covered payroll as of December 31, 2014, 2012 or 2011 as all covered employees were no longer current employees of the County.

(See independent auditor's report.)

BOONE COUNTY, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
SHERIFF'S LAW ENFORCEMENT PERSONNEL PLAN

November 30, 2014

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2014	$ 7,659,245	$ 10,869,455	70.47%	$ 3,210,210	$ 2,472,619	129.83%
2013	6,581,971	9,821,106	67.02%	3,239,135	2,374,072	136.44%
2012	5,172,579	9,414,513	54.94%	4,241,934	2,335,424	181.63%
2011	4,165,615	8,619,961	48.33%	4,454,346	2,397,675	185.78%
2010	5,123,091	9,426,287	54.35%	4,303,196	2,427,248	177.29%
2009	4,234,753	8,683,770	48.77%	4,449,017	2,549,297	174.52%

(See independent auditor's report.)

BOONE COUNTY, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFIT PLAN

November 30, 2014

Actuarial Valuation Date November 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2014	N/A	N/A	N/A	N/A	N/A	N/A
2013	$ -	$ 1,727,434	0.00%	$ 1,727,434	$ 10,112,244	17.08%
2012	N/A	N/A	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A	N/A	N/A
2010	-	1,045,628	0.00%	1,045,628	10,659,576	9.81%

No actuarial valuation was performed for fiscal years ending November 30, 2011 and November 30, 2014.

(See independent auditor's report.)

BOONE COUNTY, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND - COUNTY REGULAR PLAN

November 30, 2014

Fiscal Year Ended	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Net Pension Obligation (NPO)
2014	$ 983,526	100.00%	$ 125,729
2013	988,271	100.00%	122,802
2012	929,496	100.00%	120,518
2011	841,192	98.41%	117,994
2010	795,537	87.13%	102,409
2009	675,343	100.00%	-

(See independent auditor's report.)

BOONE COUNTY, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND - ELECTED COUNTY OFFICIALS

November 30, 2014

Fiscal Year Ended	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Net Pension Obligation (NPO)
2014	$ 3,001	100.00%	$ 65,510
2013	14,731	100.00%	64,138
2012	-	0.00%	62,794
2011	23,242	55.40%	61,480
2010	109,604	54.34%	50,044
2009	151,918	100.00%	-

(See independent auditor's report.)

BOONE COUNTY, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
SHERIFF'S LAW ENFORCEMENT PERSONNEL PLAN

November 30, 2014

Fiscal Year Ended	Annual Required Contribution (ARC)	Percentage of APC Contributed	Net Pension Obligation (NPO)
2014	$ 575,479	100.00%	$ -
2013	555,106	100.00%	-
2012	539,610	100.00%	-
2011	529,550	100.00%	-
2010	450,993	100.00%	-
2009	422,935	100.00%	-

(See independent auditor's report.)

BOONE COUNTY, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN

November 30, 2014

Fiscal Year Ended	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2014	$ 21,517	$ 174,494	12.33%
2013	39,798	158,574	25.10%
2012	15,113	120,556	12.54%
2011	17,369	120,556	14.41%
2010	31,770	120,811	26.30%

GASB Statement No. 45 was implemented for the fiscal year ended November 30, 2010
Information for prior years is not available.

(See independent auditor's report.)

BOONE COUNTY, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

November 30, 2014

1. BUDGETS

All departments of the County submit requests for appropriation to the County administrator so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. All funds are budgeted on a basis consistent with generally accepted accounting principles. Formal budgets are established for all funds, except for the following:

- 911 Fund
- In and Out Fund
- Circuit Clerk Operations Fund
- Drug Court Grant Fund
- Auto Theft Grant Fund
- Areestee Medical Costs Fund
- Circuit Clerk Electronic Citation Fund
- Foreclosure Mediation Fund

The proposed budget is presented to the County Board for review. The County Board holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Prior to December 1, the budget is legally enacted through passage of an ordinance.

Any changes in the budget must be approved by an affirmative vote of a majority of the County Board. Expenditures may not legally exceed budgeted appropriations at the object level. During the year, it was deemed not necessary for the Board to approve any supplementary appropriations.

2. INDIVIDUAL FUND DISCLOSURES

The following funds/departments/objects had expenditures in excess of budget:

Fund	Excess
General Fund	
General government	
Courthouse	
Supplies and services	$ 26,632
Capital Outlay	270
County board	
Personnel	63
County farm	
Supplies and services	372
County treasurer	
Personnel	626
County clerk and recorder	
Personnel	145
Zoning	
Supplies and services	1,233
Administrative services	
Supplies and services	4,073
Logan avenue building	
Personnel	855
Information technology	
Personnel	3
Geographic information systems	
Personnel	75
Supplies and services	35,613
Building department	
Personnel	2,040
Supplies and services	2,574
Miscellaneous	
Supplies and services	48,631
Employee health insurance	
Personnel	55,132
Public safety	
Sheriff's department	
Personnel	111,467
Employee health insurance	
Personnel	287,716
Judiciary and court related	
State's attorney	
Supplies and services	46
Capital outlay	803

2. INDIVIDUAL FUND DISCLOSURES (Continued)

Fund	Excess
General Fund (Continued)	
Judiciary and court related (Continued)	
Circuit clerk	
Personnel	$ 3,360
Judicial	
Supplies and services	448
County corrections	
Personnel	112,889
County public safety building	
Capital outlay	1,392
Jurors and other legal services	
Supplies and services	1,503
Employee health insurance	
Personnel	97,152
IMRF Fund	
General government	
Personnel	4,937
Supplies and services	411
Public safety	
Personnel	25,770
Highways and streets	
Personnel	1,560
Judicial and court related	
Personnel	8,704
County Motor Fuel Tax Fund	
Highways and streets	
Personnel	7
Capital outlay	763,719
County Highway Fund	
Highways and streets	
Contractual Services	18
County Health Department Fund	
Health and welfare	
Personnel	90,704
Capital outlay	19,364
Animal Control Fund	
Health and welfare	
Personnel	17,739

2. INDIVIDUAL FUND DISCLOSURES (Continued)

Fund	Excess
Planning Fund	
General government	
Personnel	
Supplies and services	$ 6
	1,634
Courthouse Construction Fund	
Debt service	
Interest	480
Law Library Fund	
Judiciary and court related	
Supplies and services	542
Federal Forfeited Fund	
Public Safety	
Supplies and services	6,240
Capital improvements	40,669
Grant Fund	
General government	
Supplies and services	20,876
Marriage Fund	
Judiciary and court related	
Contractual Services	47
Supplies and services	38
FICA Fund	
General government	
Personnel	8,337
Supplies and services	638
Public Safety	
Personnel	43,515
Highways and streets	
Personnel	2,634
Judiciary and court related	
Personnel	14,698
Public Safety Sales Tax Fund	
Capital outlay	
Capital improvements	194,069
Debt service	
Interest and Fiscal Charges	428

BOONE COUNTY, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Continued)

2. INDIVIDUAL FUND DISCLOSURES (Continued)

Fund	Excess
Animal Services Building and Maintenance Fund	
Health and welfare	
Supplies and services	$ 18,889
Animal Services Donation Fund	
Health and welfare	
Supplies and services	880

OFFICIAL BID FORM
(Open Speer Auction)

The County of Boone
1212 Logan Ave.
Suite 102
Belvidere, Illinois 61008

August 19, 2015
Speer Financial, Inc.

Board of Commissioners:

For the $3,280,000* General Obligation Refunding Bonds, Sales Tax Alternate Revenue Source, Series 2015A (the "Bonds"), of The County of Boone, Illinois (the "County"), as described in the annexed Official Notice of Sale, which is expressly made a part of this bid, we will pay $_____ (no less than $3,253,760) for Bonds bearing interest as follows (each rate a multiple of 1/8 or 1/100 of 1%). **The premium or discount is subject to adjustment allowing the same gross spread per $1,000 bond as bid herein and assuming a delivery date of September 16, 2015.**

MATURITIES* – DECEMBER 15

$ 50,000	2016	$250,000	2020	$285,000	2025
240,000	2017	260,000	2021	290,000	2026
240,000	2018	265,000	2022	300,000	2027
245,000	2019	270,000	2023	310,000	2028
		275,000	2024		

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

The Bonds are to be executed and delivered to us in accordance with the terms of this bid accompanied by the approving legal opinion of Katten Muchin Rosenman LLP, Chicago, Illinois. The County will pay for the legal opinion. The underwriter agrees to **apply for CUSIP numbers within 24 hours** and pay the fee charged by the CUSIP Service Bureau and will accept the Bonds with the CUSIP numbers as entered on the Bonds.

As evidence of our good faith, if we are the winning bidder, we will wire transfer the amount of **TWO PERCENT OF PAR** (the "Deposit") **WITHIN TWO HOURS** after the bid opening time to the County's good faith bank and under the terms provided in the Official Notice of Sale for the Bonds. Alternatively, we have wire transferred or enclosed herewith a check payable to the order of the Treasurer of the County in the amount of the Deposit under the terms provided in the Official Notice of Sale for the Bonds.

Form of Deposit (Check One)

Prior to Bid Opening:
Certified/Cashier's Check [ ]
Wire Transfer [ ]

Within **TWO hours** of Bidding:
Wire Transfer [ ]

Amount: $65,600

Account Manager Information

Name _____

Address _____

By _____

City _____ State/Zip _____

Direct Phone (_____) _____

FAX Number (_____) _____

E-Mail Address _____

Bidders Option Insurance

We have purchased insurance from:

Name of Insurer
(Please fill in)

_____

Premium: _____

Maturities: (Check One)

[__] _____**Years**

[__] All

The foregoing bid was accepted and the Bonds sold by ordinance of the County on August 19, 2015, and receipt is hereby acknowledged of the good faith Deposit which is being held in accordance with the terms of the annexed Official Notice of Sale.

THE COUNTY OF BOONE, ILLINOIS

_____
Chairman of the County Board

**Subject to change.*

---------- NOT PART OF THE BID ----------
(Calculation of true interest cost)

	Bid	Post Sale Revision
Gross Interest	$	
Less Premium/Plus Discount	$	
True Interest Cost	$	
True Interest Rate	%	%
TOTAL BOND YEARS	26,010.89	
AVERAGE LIFE	7.930 Years	Years

OFFICIAL NOTICE OF SALE

$3,280,000*

THE COUNTY OF BOONE, ILLINOIS

General Obligation Refunding Bonds, Sales Tax Alternate Revenue Source, Series 2015A

(Open Speer Auction)

The County of Boone, Illinois (the "County"), will receive **open auction** electronic bids on the SpeerAuction ("*SpeerAuction")* website address "www.SpeerAuction.com" for its $3,280,000* General Obligation Refunding Bonds, Sales Tax Alternate Revenue Source, Series 2015A (the "Bonds"), on an all or none basis between 10:15 A.M. and 10:30 A.M., C.D.T., on Wednesday, August 19, 2015.

To bid, bidders must have: (1) completed the registration form on the SpeerAuction website, and (2) requested and received admission to the County's sale (as described below). Award will be made or all bids rejected on that date. The County reserves the right to change the date or time for receipt of bids. Any such change shall be made not less than twenty-four (24) hours prior to the revised date and time for receipt of the bids for the Bonds and shall be communicated by publishing the changes in the Amendments Page of the SpeerAuction webpage and through *Thompson Municipal News*.

The Bonds will constitute valid and legally binding obligations of the County payable as to principal and interest from: (a) County's receipts of certain sales tax revenues, and (b) ad valorem taxes levied against all taxable property within the County without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

Bidding Details

Bidders should be aware of the following bidding details associated with the sale of the Bonds.

(1) All bids must be submitted on the SpeerAuction website at www.SpeerAuction.com. **No telephone, telefax or personal delivery bids will be accepted.** The use of SpeerAuction shall be at the bidder's risk and expense and the County shall have no liability with respect thereto, including (without limitation) liability with respect to an incomplete, late arriving and non-arriving bid. Any questions regarding bidding on the SpeerAuction website should be directed to Grant Street Group at (412) 391-5555 x 370.

(2) Bidders may change and submit bids as many times as they like during the bidding time period; provided, however, each and any bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost ("TIC") with respect to a bid, when compared to the immediately preceding bid of such bidder. In the event that the revised bid does not produce a lower TIC with respect to a bid the prior bid will remain valid.

(3) If any bid in the auction becomes a leading bid two (2) minutes prior to the end of the auction, then the auction will be automatically extended by two (2) minutes from the time such bid was received by SpeerAuction. The auction end time will continue to be extended, indefinitely, until a single leading bid remains the leading bid for at least two minutes.

(4) The last valid bid submitted by a bidder before the end of the bidding time period will be compared to all other final bids submitted by others to determine the winning bidder or bidders.

(5) During the bidding, no bidder will see any other bidder's bid, but bidders will be able to see the ranking of their bid relative to other bids (i.e., "Leader", "Cover", "3rd" etc.)

(6) On the Auction Page, bidders will be able to see whether a bid has been submitted.

Rules of SpeerAuction

Bidders must comply with the Rules of SpeerAuction in addition to the requirements of this Official Notice of Sale. To the extent there is a conflict between the Rules of SpeerAuction and this Official Notice of Sale, this Official Notice of Sale shall control.

**Subject to change.*

Rules

(1) A bidder ("Bidder") submitting a winning bid ("Winning Bid") is irrevocably obligated to purchase the Bonds at the rates and prices of the winning bid, if acceptable to the County, as set forth in the related Official Notice of Sale. Winning Bids are not officially awarded to Winning Bidders until formally accepted by the County.

(2) Neither the County, Speer Financial, Inc., nor Grant Street Group (the "Auction Administrator") is responsible for technical difficulties that result in loss of Bidder's internet connection with SpeerAuction, slowness in transmission of bids, or other technical problems.

(3) If for any reason a Bidder is disconnected from the Auction Page during the auction after having submitted a Winning Bid, such bid is valid and binding upon such Bidder, unless the County exercises its right to reject bids, as set forth herein.

(4) Bids which generate error messages are not accepted until the error is corrected and the bid is received prior to the deadline.

(5) Bidders accept and agree to abide by all terms and conditions specified in the Official Notice of Sale (including amendments, if any) related to the auction.

(6) Neither the County, Speer Financial, Inc., nor the Auction Administrator is responsible to any bidder for any defect or inaccuracy in the Official Notice of Sale, amendments, or Preliminary Official Statement as they appear on SpeerAuction.

(7) Only Bidders who request and receive admission to an auction may submit bids. SpeerAuction and the Auction Administrator reserve the right to deny access to SpeerAuction website to any Bidder, whether registered or not, at any time and for any reason whatsoever, in their sole and absolute discretion.

(8) Neither the County, Speer Financial, Inc., nor the Auction Administrator is responsible for protecting the confidentiality of a Bidder's SpeerAuction password.

(9) If two bids submitted in the same auction by the same or two or more different Bidders result in same True Interest Cost, the first confirmed bid received by SpeerAuction prevails. Any change to a submitted bid constitutes a new bid, regardless of whether there is a corresponding change in True Interest Cost.

(10) Bidders must compare their final bids to those shown on the Observation Page immediately after the bidding time period ends, and if they disagree with the final results shown on the Observation Page they must report them to SpeerAuction within 15 minutes after the bidding time period ends. Regardless of the final results reported by SpeerAuction, Bonds are definitively awarded to the winning bidder only upon official award by the County. If, for any reason, the County fails to: (i) award Bonds to the winner reported by SpeerAuction, or (ii) deliver Bonds to winning bidder at settlement, neither the County, Speer Financial, Inc., nor the Auction Administrator will be liable for damages.

The County reserves the right to reject all proposals, to reject any bid proposal not conforming to this Official Notice of Sale, and to waive any irregularity or informality with respect to any proposal. Additionally, the County reserves the right to modify or amend this Official Notice of Sale; however, any such modification or amendment shall not be made less than twenty-four (24) hours prior to the date and time for receipt of bids on the Bonds and any such modification or amendment will be announced on the Amendments Page of the SpeerAuction webpage and through *Thompson Municipal News*.

The Bonds will be in fully registered form in the denominations of $5,000 and integral multiples thereof in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, to which principal and interest payments on the Bonds will be paid. Individual purchases will be in book-entry only form. Interest on each Bond shall be paid by check or draft of the Bond Registrar to the person in whose name such bond is registered at the close of business on the first day of the month in which an interest payment date occurs. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Bond Registrar in Chicago, Illinois. Semiannual interest is due June 15 and December 15 of each year, commencing December 15, 2015, and is payable by The Bank of New York Mellon Trust Company, N.A., Chicago, Illinois (the "Bond Registrar"). The Bonds are dated the date of delivery (expected to be on or about September 16, 2015).

If the winning bidder is not a direct participant of DTC and does not have clearing privileges with DTC, the Bonds will be issued as Registered Bonds in the name of the purchaser. At the request of such winning bidder, the County will assist in the timely conversion of the Registered Bonds into book-entry bonds with DTC as described herein.

MATURITIES* – DECEMBER 15

$ 50,000	2016	$250,000	2020	$285,000	2025
240,000	2017	260,000	2021	290,000	2026
240,000	2018	265,000	2022	300,000	2027
245,000	2019	270,000	2023	310,000	2028
		275,000	2024		

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

Bonds due December 15, 2016-2024, inclusive, are non-callable. Bonds due December 15, 2025-2028, inclusive, are callable in whole or in part on any date on or after December 15, 2024, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the County and within any maturity by lot.

All interest rates must be in multiples of one-eighth or one one-hundredth of one percent (1/8 or 1/100 of 1%), and not more than one rate for a single maturity shall be specified. The differential between the highest rate bid and the lowest rate bid shall not exceed three percent (3%). All bids must be for all of the Bonds and must be for not less than $3,253,760.

Award of the Bonds: The Bonds will be awarded on the basis of true interest cost, determined in the following manner. True interest cost for the Bonds shall be computed by determining the annual interest rate (compounded semi-annually) necessary to discount the debt service principal and interest payments on the Bonds. For the purpose of calculating true interest cost, the Bonds shall be deemed to become due in the principal amounts and at the times set forth in the table of maturities set forth above. In the event two or more qualifying bids produce the identical lowest true interest cost, the winning bid shall be the bid that was submitted first in time on the SpeerAuction webpage.

The Bonds will be awarded to the bidder complying with the terms of this Official Notice of Sale whose bid produces the lowest true interest cost rate to the County as determined by the County's Financial Advisor, which determination shall be conclusive and binding on all bidders; *provided*, that the County reserves the right to reject all bids or any non-conforming bid and reserves the right to waive any informality in any bid. Bidders should verify the accuracy of their final bids and compare them to the winning bids reported on the SpeerAuction Observation Page immediately after the bidding.

The premium or discount, if any, is subject to pro rata adjustment if the maturity amounts of the Bonds are changed, allowing the same dollar amount of gross spread per $1,000 bond as bid and assuming a delivery date of September 16, 2015.

The true interest cost of each bid will be computed by SpeerAuction and reported on the Observation Page of the SpeerAuction webpage immediately following the date and time for receipt of bids. These true interest costs are subject to verification by the County's Financial Advisor, will be posted for information purposes only and will not signify an actual award of any bid or an official declaration of the winning bid. The County or its Financial Advisor will notify the bidder to whom the Bonds will be awarded, if and when such award is made.

The winning bidder will be required to make the standard filings and maintain the appropriate records routinely required pursuant to MSRB Rules G-8, G-11 and G-32. The winning bidder will be required to pay the standard MSRB charge for Bonds purchased. In addition, the winning bidder who is a member of the Securities Industry and Financial Markets Association ("SIFMA") will be required to pay SIFMA's standard charge per bond.

The **winning bidder** is required to wire transfer from a solvent bank or trust company to the County's good faith bank the amount of **TWO PERCENT OF PAR** (the "Deposit") **WITHIN TWO HOURS** after the bid opening time as evidence of the good faith of the bidder. Alternatively, a bidder may submit its Deposit upon or prior to the submission of its bid in the form of a certified or cashier's check on, or a wire transfer from, a solvent bank or trust company for **TWO PERCENT OF PAR** payable to the Treasurer of the County. The County reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received within such two hour time period provided that such winning bidder's federal wire reference number has been received. In the event the Deposit is not received as provided above, the County may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award.

The Deposit of the successful bidder will be retained by the County pending delivery of the Bonds and all others will be promptly returned. Should the successful bidder fail to take up and pay for the Bonds when tendered in accordance with this Notice of Sale and said bid, said Deposit shall be retained as full and liquidated damages to the County caused by failure of the bidder to carry out the offer of purchase. Such Deposit will otherwise be applied on the purchase price upon delivery of the Bonds. No interest on the Deposit will accrue to the purchaser.

If a wire transfer is used for the Deposit, it must be sent according to the following wire instructions:

Amalgamated Bank of Chicago
Corporate Trust
One West Monroe
Chicago, IL 60603
ABA # 071003405
Credit To: 3281 Speer Bidding Escrow
RE: The County of Boone, Illinois
bid for the $3,280,000* General Obligation Refunding Bonds, Sales Tax Alternate Revenue Source, Series 2015A

Contemporaneously with such wire transfer, the bidder shall send an email to biddingescrow@aboc.com with the following information: (1) indication that a wire transfer has been made, (2) the amount of the wire transfer, (3) the issue to which it applies, and (4) the return wire instructions if such bidder is not awarded the Bonds. The County and any bidder who chooses to wire the Deposit hereby agree irrevocably that Speer Financial, Inc. ("Speer") shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: (i) if the bid is not accepted, Speer shall, at its expense, promptly return the Deposit amount to the unsuccessful bidder; (ii) if the bid is accepted, the Deposit shall be forwarded to the County; (iii) Speer shall bear all costs of maintaining the escrow account and returning the funds to the bidder; (iv) Speer shall not be an insurer of the Deposit amount and shall have no liability except if it willfully fails to perform, or recklessly disregards, its duties specified herein; and (v) income earned on the Deposit, if any, shall be retained by Speer.

The Bond Ordinance includes the County's undertaking (the "Undertaking") to provide ongoing disclosure about the County for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Undertaking shall be as described in the Official Statement, with such changes as may be agreed in writing by the Underwriter

The Underwriter's obligation to purchase the Bonds shall be conditioned upon the County delivering the Undertaking on or before the date of delivery of the Bonds.

The winning bidder shall provide a certificate, in form as drafted by or acceptable to Bond Counsel, to evidence the issue price of each maturity of the Bonds, the form of which certificate is available upon request.

By submitting a bid, any bidder makes the representation that it understands Bond Counsel represents the County in the Bond transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder represents that the signatory to the bid is duly authorized to, and does hereby consent to and waive for and on behalf of such bidder any conflict of interest arising from any adverse position to the County in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel.

The Bonds will be delivered to the successful purchaser against full payment in immediately available funds as soon as they can be prepared and executed, which is expected to be on or about September 16, 2015. Should delivery be delayed beyond sixty (60) days from the date of sale for any reason beyond the control of the County except failure of performance by the purchaser, the County may cancel the award or the purchaser may withdraw the good faith deposit and thereafter the purchaser's interest in and liability for the Bonds will cease.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts, and interest rates of the Bonds, and any other information required by law or deemed appropriate by the County, shall constitute a "Final Official Statement" of the County with respect to the Bonds, as that term is defined in the Rule. Any such addendum or addenda shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference. Alternatively, such final terms of the Bonds and other information may be included in a separate document entitled "Final Official Statement" rather than through supplementing the Official Statement by an addendum or addenda. By awarding the Bonds to any underwriter or underwriting syndicate, the County agrees that, no more than seven (7) business days after the date of such award, it shall provide, without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded, up to 100 copies of the Final Official Statement to permit each "Participating Underwriter" (as that term is defined in the Rule) to comply with the provisions of such Rule. The County shall treat the senior managing underwriter of the syndicate to which the Bonds are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Bonds agrees thereby that if its bid is accepted by the County it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

By submission of its bid, the senior managing underwriter of the successful bidder agrees to supply all necessary pricing information and any Participating Underwriter identification necessary to complete the Official Statement within 24 hours after award of the Bonds. Additional copies of the Final Official Statement may be obtained by Participating Underwriters from the printer at cost.

The County will, at its expense, deliver the Bonds to the purchaser in New York, New York, through the facilities of DTC and will pay for the bond attorney's opinion. At the time of closing, the County will also furnish to the purchaser the following documents, each dated as of the date of delivery of the Bonds: (1) the unqualified opinion of Katten Muchin Rosenman LLP, that the Bonds are lawful and enforceable obligations of the County in accordance with their terms; (2) the opinion of said attorneys that the interest on the Bonds is exempt from federal income taxes as and to the extent set forth in the Official Statement for the Bonds and (3) a no litigation certificate by the County.

The County has authorized the printing and distribution of an Official Statement containing pertinent information relative to the County and the Bonds. Copies of such Official Statement or additional information may be obtained from Mr. Kenneth Terrinoni, County Administrator, The County of Boone, 1212 Logan Ave., Suite 102, Belvidere, Illinois 61008; telephone (815) 547-4770 or an electronic copy of this Official Statement is available from the www.speerfinancial.com web site under "Debt Auction Center/Official Statements Sales Calendar/Competitive" from the Independent Public Finance Consultants to the County, Speer Financial, Inc., One North LaSalle Street, Suite 4100, Chicago, Illinois 60602, telephone (312) 346-3700.

/s/ **BOB WALBERG**
Chairman of the County Board
THE COUNTY OF BOONE, ILLINOIS

/s/ **KENNETH TERRINONI**
County Administrator
THE COUNTY OF BOONE, ILLINOIS