

**IN THE CIRCUIT COURT OF THE FOURTEENTH JUDICIAL CIRCUIT  
ROCK ISLAND COUNTY, ILLINOIS**

LANDMARKS ILLINOIS, NATIONAL )  
TRUST FOR HISTORIC PRESERVATION, )  
ROCK ISLAND PRESERVATION )  
SOCIETY, MOLINE PRESERVATION )  
SOCIETY, BROADWAY HISTORIC )  
DISTRICT ASSOCIATION, and )  
FREDERICK SHAW )

Case No. 2019CH40

Plaintiffs, )

v. )

ROCK ISLAND COUNTY BOARD and )  
ROCK ISLAND COUNTY PUBLIC )  
BUILDING COMMISSION, )

Defendants. )

**VERIFIED COMPLAINT FOR DECLARATORY JUDGMENT, TEMPORARY  
RESTRAINING ORDER, AND INJUNCTION**

Plaintiffs Landmarks Illinois (“Landmarks”), National Trust for Historic Preservation (“National Trust”), Rock Island Preservation Society (“RIPS”), Moline Preservation Society (“MPS”), Broadway Historic District Association (“BHDA”), and Frederick Shaw (“Shaw”) (collectively, “Plaintiffs”), by their attorneys, Jenner & Block LLP, state as follows for their Complaint against the Rock Island County Board (“County Board”) and the Rock Island County Public Building Commission (“PBC”):

**NATURE OF THE ACTION**

1. Plaintiffs bring this case to preserve the status quo and enjoin Defendants from demolishing a historic resource in violation of the law and in violation of the Defendants’ contractual obligations. Defendants are racing to demolish the historic Rock Island County Courthouse, located at 210 15th Street, Rock Island, Illinois (the “Historic Courthouse”). They are doing so in disregard of the review and consultation process the Illinois General Assembly

has adopted to prevent the demolition of publicly-owned historic resources without a thorough review and consultation process. *See* Illinois State Agency Historic Resources Preservation Act (“Preservation Act”), 20 ILCS 3420/1, *et seq.* They have also violated the Illinois Public Building Commission Act (“PBC Act”), 50 ILCS 20/1, *et seq.*, which constrains PBC from undertaking projects (1) outside the scope of its authorization, (2) without the requisite approvals from the relevant governing bodies—in this case, the Rock Island City Council, and (3) through the misappropriation of funds that by law must be placed in a sinking fund for making payments to bondholders. Finally, Defendants’ misappropriation of excess revenue bond proceeds to pursue the demolition of the Historic Courthouse breaches multiple covenants of the bond offering documents, which are actionable under the PBC Act and the under bond documents themselves for breach of contract.

2. The demolition of the Historic Courthouse would cause irreparable harm for which there would be no adequate remedy at law. *See Nat’l Tr. for Historic Pres. in U.S. v. F.D.I.C.*, No. CIV. A. 93-0904-HHG, 1993 WL 328134, at \*3 (D.D.C. May 7, 1993) (granting temporary restraining order because sale and demolition of historic building would cause irreparable harm for which there would be no adequate remedy at law); *WATCH v. Harris*, 603 F.2d 310, 312 n.2 (2d Cir. 1979) (demolition of historic buildings causes irreparable harm); *Forest Preserve Dist. v. Mt. Greenwood*, 219 Ill. App. 2d 635, 529 (1991) (same).

## **PARTIES**

3. Plaintiff Landmarks is a membership-based nonprofit organization serving the people of Illinois. Its mission is to preserve, protect, and promote architectural and historic resources in Illinois through advocacy and education. Landmarks also has an interest in ensuring that public officials follow the law before disposing of public property. *See, e.g., Lombard Historical Comm’n v. Village of Lombard*, 366 Ill. App. 3d 715, 718 (2006). Landmarks is an

owner of a Public Building Revenue Bond, Series 2016, the proceeds of which the PBC intends to use to demolish the Historic Courthouse in violation of the bond covenants and the PBC Act.

4. Plaintiff National Trust is a congressionally chartered not-for-profit corporation whose stated purposes are, among other things, to facilitate public participation in the preservation of sites, buildings, and objects of national significance and to preserve and administer properties for the public benefit. 54 U.S.C. § 312102(a). The National Trust was created by federal law and is authorized by federal law to sue in its corporate name to the extent necessary to enable it to carry out the functions vested in it by Congress. *Id.* § 312105(c); *Landmarks Pres. Council of Illinois v. City of Chicago*, 531 N.E. 2d 9, 14 (Ill. 1988). The National Trust has a legal interest in preventing the destruction of publicly-owned historically significant buildings, particularly when the destruction will be carried out in violation of the law. It also has an office in Illinois.

5. Plaintiff RIPS is a city-wide not-profit organization that advocates for the preservation of historic buildings and sites as an economic and cultural investment in the future.

6. Plaintiff MPS is a city-wide non-profit organization that advocates for the protection and restoration of historic properties in the city of Moline as both an economic and cultural investment in the future.

7. Plaintiff BHDA is a non-profit neighborhood organization committed to preserving our architectural integrity, strengthening our sense of community, celebrating our history, and embracing the future.

8. Plaintiff Shaw is a resident of Inverness, Illinois. He has worked in commercial banking for 45 years, the last 36 of which he has served as the CEO of an independent community bank. During his career, Shaw financed projects for local governments, has bought

and sold municipal bonds on behalf of both himself and his employer. Shaw is an owner of a Public Building Revenue Bond, Series 2016, the proceeds of which the PBC impermissibly intends to use to demolish the Historic Courthouse, in violation of the bond covenants and the PBC Act. Shaw has a legal interest in ensuring that historically significant public buildings are not destroyed in a manner contrary to the law. *See Lombard Historical Comm’n*, 366 Ill. App. 3d at 718.

9. The Board is the county board for Rock Island County, Illinois. The Board created the PBC by resolution on October 1, 1981. *See Ex. 1*. The Board previously owned the Historic Courthouse but, by intergovernmental agreement, agreed to sell it to the PBC for the purpose of demolition.

10. The PBC is a political body and corporate entity, created in 1981 for the sole purpose of exercising the powers and authority of the Public Building Commission Act to provide a jail for the use of Rock Island County.

### **JURISDICTION AND VENUE**

11. Jurisdiction is proper because Plaintiffs allege violations of state law, specifically that Defendants are violating the Preservation Act and the PBC Act. Defendants are all located in Rock Island, Illinois. And the subject matter of the dispute—the demolition of the Rock Island County Courthouse—is occurring in Rock Island County, Illinois.

12. In addition, jurisdiction is proper for the bond-related claims because Defendants breached their contractual obligations set forth in covenants of the bonds, the proceeds of which they intend to use to demolish the Historic Courthouse, in violation of state law. The offering of the bonds, and the breach of their covenants, occurred in or around Rock Island, Illinois. The bonds at issue in this case and its covenants are between the Rock Island County Public Building Commission and Illinois citizens. The project forming the key aspect of the parties’ dispute was

and is being performed in Rock Island County, Illinois. And any damages incurred by Landmarks and Shaw will be incurred in Illinois.

13. Further, jurisdiction is proper under Section 16(b) of the PBC Act. That provision allows public building commissions to enter into agreements with bondholders specifying “by whom or on whose behalf action may be taken by the bondholders” to “enjoin any acts or things which may be unlawful, or in violation of any of the rights of the bondholder.” Likewise, the bond documents themselves state that “[a]ny registered owners of a Bond...may either in law or in equity, by suit, action, mandamus, or other proceedings, enforce or compel the performance of all duties required by the Bond Resolution or the PBC Act....”

14. Jurisdiction is also proper under Section 14 of the PBC Act, which states “A Public Building Commission is a municipal corporation and constitutes a body both corporate and politic separate and apart from any other municipal corporation or any other public or governmental agency. It may sue and be sued.”

15. Finally, Jurisdiction is also proper under 55 ILCS 5/5-1001, which states that: “Each county which has been, or may be established in this State, according to the laws thereof, shall be a body politic and corporate, by the name and style of “The county of....,” and by that name may sue and be sued, plead and may be impleaded, defend and be defended against in any court having jurisdiction of the subject-matter, or other place where justice shall be administered.

16. Venue is proper under 735 ILCS 5/2-101 because a substantial part of the events or omissions giving rise to the claims occurred in Rock Island County, Illinois.

17. Venue is also proper under 735 ILCS 5/2-103 because Defendants’ principal offices are located in Rock Island County, because Rock Island County is the county in which

the transaction or some part thereof occurred out of which the cause of action arose, and because the Historic Courthouse is located in Rock Island County.

18. Finally, Venue is proper under 55 ILCS 5/1-6001 because “All actions, local or transitory, against any county, may be commenced and prosecuted to final judgment in the circuit court in the county against which the action is brought.”

## **FACTUAL ALLEGATIONS**

### **I. History of the Historic Courthouse**

19. The Historic Courthouse was built and dedicated in 1896 and began operation in 1897. The building is 122 years old.

20. When built, the Court House Committee included the following notable Rock Island historical figures: Phil Mitchell; Hon. William Jackson; Hon. Charles J. Searle; and Hon. William McEniry. In addition, the following notable Rock Island historical figures spoke when the corner stone was laid for the Courthouse on October 1, 1896: Edward D. Sweeney; Hon. Charles J. Searle; and Judge J. M. Gould.

21. The Honorable Charles J. Searle described the Historic Courthouse as a “Temple of Justice” at its dedication ceremony on October 1, 1896.

22. Frederick C. Gunn and Louis S. Curtis, of the noted architectural firm Gunn and Curtis, designed the Historic Courthouse. The Historic Courthouse is considered a significant example of Spanish Renaissance or Roman-style architecture.

23. The Historic Courthouse closely resembles another Gunn and Curtis courthouse designed around the same time that has been listed on the National Register of Historic Places since 1970: the Tarrant County Courthouse in Fort Worth, Texas.

24. Charles J. Larkin, a Rock Island contractor and stonecutter, built the Historic Courthouse using blue-tinted Bedford limestone, marble, maple, and oak.

25. The Historic Courthouse features a variety of significant architectural forms, including rounded arch windows and door recesses, balconies, and a standing-seam metal roof.

26. Beginning in 1897, the Historic Courthouse served as the seat of the county government, and court was held in the Courthouse for over 120 years through Friday, December 7, 2018.

27. The Director of the Illinois Department of Natural Resources has determined that the Historic Courthouse is eligible for listing in the National Register.

28. In 2018, the Courthouse was listed on Landmarks' Most Endangered Historic Places List in Illinois.

29. On or about December 13, 2018, all court functions ceased in the Historic Courthouse.

## **II. The Illinois State Agency Historic Resources Preservation Act**

### ***History of the Preservation Act***

30. The General Assembly first enacted the Preservation Act in 1990 to provide Illinois State government leadership in, among other things, preserving and enhancing State owned and non-State owned historic resources. The goals of the Preservation Act include avoiding the unnecessary demolition of historic resources; giving interested parties a voice when historic buildings might be demolished; putting a value on how much historic resources enrich the lives of Illinois citizens; allowing the public access to the review process; and perhaps most importantly, providing all interested parties the chance to confer and seek opportunities to realize future benefits from culturally and historically significant buildings. *See* 20 ILCS 3420/1; 17 Ill. Adm. Code 4180.100 (2018).

***Applicability of the Preservation Act***

31. The Preservation Act applies to all State agency undertakings as defined in Section 3(f) of the Preservation Act.

32. Section 3(f) of the Preservation Act states that an “undertaking” means:

[A]ny project, activity, or program that can result in changes in the character or use of historic property, if any historic property is located in the area of potential effects. The project, activity or program shall be under the direct or indirect jurisdiction of a State agency ***or licensed or assisted by a State agency***. An undertaking includes, but is not limited to, action which is: ... (3) ***carried out pursuant to a State lease, permit, license, certificate, approval, or other form of entitlement or permission***.

20 ILCS 3420/3(f)(3) (emphasis added).

33. Sections 4(a)-(b) of the Preservation Act and its enacting regulations set forth the notice and review requirements for any State agency undertaking, including the following:

(a) As early in the planning process as may be practicable and prior to the approval of the final design or plan of any undertaking by a State agency, or prior to the funding of any undertaking by a State agency, ***or prior to an action of approval or entitlement of any private undertaking by a State agency***, written notice of the project shall be given to the Director either by the State agency ***or the recipients of its funds, permits or licenses***. The State agency shall consult with the Director to determine the documentation requirements necessary for identification and treatment of historic resources . . . .

(b) Within 30 days after receipt of complete and correct documentation of a proposed undertaking, the Director shall review and comment to the agency on the likelihood that the undertaking will have an ***adverse effect on a historic resource*** . . . .

20 ILCS 3420/4(a) (emphasis added); *see also* 17 Ill. Adm. Code 4180.200-300 (2018).

34. The Preservation Act defines a “historic resource” as, among other things, “any property which is either publicly or privately held and which: . . . (2) has been formally determined by the Director to be eligible for listing in the National Register [of Historic Places].” 20 ILCS 3420/3(c)(2).

35. The Preservation Act defines an “adverse effect” as, among other things, “destruction or alteration of all or part of an historic resource.” 20 ILCS 3420/3(d)(1).

36. The Preservation Act defines “Director” as the “Director of Natural Resources, or his or her designee,” (hereinafter referred to as “DNR”). 20 ILCS 3420/3(a).

***The Preservation Act’s Consultation Process for Undertakings with Likely Adverse Effects***

37. Once the Director determines that an undertaking is likely to have an adverse effect on a historic resource, the Preservation Act requires that DNR and the State agency licensing or permitting the project “consult to determine such further investigation of various alternatives as is necessary to determine all feasible and prudent alternatives to the undertaking as originally proposed in order to avoid, minimize or mitigate the identified adverse effects.” 17 Ill. Adm. Code 4180.350 (2018); *see also* 20 ILCS 3420/4(c).

38. The consulting parties may include State agencies, local governments, local not-for-profit groups, grantees, permittees, licensees, or other parties in interest. *See* 20 ILCS 3420/4(c); Ill. Adm. Code 4180.350 (2018).

39. The consultation process may involve on-site inspections and public informational meetings. 20 ILCS 3420/4(c).

40. If the State Agency and DNR agree on an alternative that eliminates the adverse effect, or if the parties agree there is no feasible and prudent alternative to the adverse effect, the process concludes and the project may proceed. *See* 20 ILCS 3420/4(d); 17 Ill. Adm. Code 4180.350.

***The Preservation Act’s Process When the State Agency and DNR Fail to Agree on the Existence of a Feasible and Prudent Alternative***

41. If DNR and the State agency fail to agree (1) on an alternative course of action that mitigates the adverse effect or (2) that there is no alternative that mitigates the adverse effect, the statute requires the State agency to call a public meeting. 20 ILCS 3420/4(e). “The purpose of the public meeting is to solicit the opinions and recommendations of national, State

and local units of government, public and private organizations, and private individuals.” 17 Ill. Adm. Code 4180.400 (2018).

42. The state agency must give notice of the public meeting at least 30 days in advance through a newspaper of general circulation in the area in which the proposed undertaking is to occur, and provide detailed information concerning, among other things, the meeting’s purpose, the undertaking, the historic resources involved, and the procedure for offering written and oral testimony. 17 Ill. Adm. Code 4180.450.

43. If, within 14 days after the public meeting, the State agency and the DNR fail to agree on a course of action, the proposed undertaking must be submitted to the Historic Preservation Mediation Committee. 20 ILCS 3420/4(e); 17 Ill. Adm. Code 4180.500.

44. If, after meeting with the Mediation Committee, the State agency and DNR continue to disagree on mitigation, the Mediation Committee shall provide a statement of findings or comments, which the State agency must implement in the undertaking or respond to in writing prior to proceeding with the undertaking, describing why it cannot implement the Mediation Committee’s findings or comments. 20 ILCS 3420/4(f); 17 Ill. Adm. Code 4180.500.

45. The multi-step process the General Assembly chose to prescribe in Section 4 of the Preservation Act, although extensive, serves to prevent what the State of Illinois has deemed a great harm: the rushed destruction of historic buildings before there has been an opportunity to determine whether there are alternatives to demolition that preserve and reuse historically and culturally significant buildings, while also allowing interested parties and the general public to participate in the process.

46. The proposed demolition of the Historic Courthouse falls squarely within the aim of the Preservation Act: before it is demolished, interested parties must have a chance to confer

and weigh the costs and benefits of destroying a 122-year building that has been the iconic seat of Rock Island County since 1897 and is eligible for listing in the National Register of Historic Places.

### III. The Illinois Public Building Commission Act

#### *The Scope of a Public Building Commission's Authority*

47. Section 4a of the PBC Act provides a means by which a municipality or county board may create a public building commission for a specific limited purpose:

A Public Building Commission may be created for the limited purpose of constructing, acquiring, enlarging, improving, repairing or replacing ***a specific public improvement, building or facility or a special type or class of public improvements, buildings or facilities***. The provisions of Section 4 of this Act shall apply to the creation of a Public Building Commission under this Section, except that the resolution adopted by the municipality or county board and the proposition shall specify the limited purpose for which such Public Building Commission is to be created.

50 ILCS 20/4a (emphasis added).

48. Section 4a of the PBC Act also specifies the means by which the creating body can enlarge the purpose of a public building commission:

The purpose of a public building commission created by the county board of any county ***may not be expanded until the question of expanding the purpose of the public building commission has been submitted to the electors of the county at a regular election and approved by a majority of the electors voting on the question***. The county board must certify the question to the proper election authority, which must submit the question at an election in accordance with the Election Code.

*Id.* (emphasis added).

49. The PBC Act allows a public building commission to “select, locate and designate . . . one or more areas . . . as the site or sites to be acquired for the erection, alteration or improvement of a building or buildings, public improvement or other facilities” so long as the erection, alteration, or improvement falls within the scope of the public building commission’s authority. 50 ILCS 20/14.

***A Public Building Commission's Site Selection Must Be Approved by a 3/4 Majority of the Governing Body of the County Seat or a Referendum***

50. Even when a public building commission purports to select a “site” for a project that is within the scope its prescribed authority, however, the PBC Act prescribes an approval process the commission must follow when selecting new “sites” for a project. Specifically, when a public building commission (1) has been created by the governing board of a county, and (2) selects a “site” within the limits of the county seat, approval of the site is subject to a 3/4 majority of the members of the governing board of the county seat. The PBC Act states in relevant part:

***Where the original resolution for the creation of the Commission has been adopted by the governing body of the county, the site or sites selected . . . are subject to approval by a majority of the members of the governing body of the county and to approval by 3/4 of the members of the governing body of the county seat, except that approval of 3/4 of the members of the governing body of the county seat is not required where the site is for a county or . . . a municipal project and is outside the limits of the county seat, in which case approval by 3/4 of the members of the governing body of any municipality where the site or sites will be located is required[.]***

50 ILCS 20/14(a)(2) (emphasis added).

51. If the public building commission cannot secure the approval of its selected site from a 3/4 majority of the county seat’s governing body, it may still seek approval for the “site or sites” through a referendum. Again, the PBC Act states in relevant part:

***[I]f such site or sites so selected . . . are not approved by 3/4 of the members of the governing body of the county seat the Commission may by resolution request that the approval of the site or sites so selected . . . be submitted to a referendum at the next general election in accordance with the general election law, and shall present such resolution to the county clerk.***

50 ILCS 20/14(a)(2) (emphasis added).

52. The PBC Act defines a “county seat” as a city, village, or town which is the county seat of a county. 50 ILCS 20/3(c).

53. The PBC Act defines a “governing body” to include a city council, county board, or any other body or board, by whatever name it may be known, charged with the governing of a municipal corporation. 50 ILCS 20/3(f).

54. The “county seat” of Rock Island County is the City of Rock Island.

55. The “governing board” of the City of Rock Island is the Rock Island City Council.

56. An action to undertake a new project or select a new site is unlawful when a public building commission fails to secure the approvals required in Section 14(a)(2) of the PBC Act.

***The PBC Act Authorizes Public Building Commissions to Issue Revenue Bonds to Finance Projects but Imposes Restrictions on a Commission’s Use of Excess Proceeds From the Sale of Bonds***

57. The PBC Act authorizes public building commissions to sell revenue bonds to finance its undertakings, subject to a number of restrictions. *See* 50 ILCS 20/15.

58. When the proceeds from the sale of the bonds issued under the PBC Act exceed the scope of the project for which they were issued, a public building commission must place those excess funds in a sinking fund for the purpose of repaying the bonds and interest. The PBC Act states in relevant part:

If the proceeds from the sale of the bonds issued under this Section exceed the cost of the project, the Public Building Commission shall place such excess funds in the sinking fund created for making payment of principal or interest of such bonds as the same matures or for the purchase of outstanding bonds at such times and in such manner as may be provided in the resolution authorizing the issuance of such bonds, or in any trust agreement or contract entered into with the bondholders.

50 ILCS 15.

***The PBC Act Expressly Authorizes Bondholders or Their Trustee to Bring a Civil Action to Compel Performance of the Provisions and Covenants in Revenue Bonds and to Enjoin Any Acts by a Commission That Are Unlawful or Violate Bondholders' Rights***

59. The PBC Act also authorizes public building commissions to enter into agreements with bondholders to prescribe “by whom or on whose behalf action may be taken by the bondholders.” 50 ILCS 20/16.

60. In addition, the PBC Act provides bondholders with an express right of action to compel performance and enjoin acts that violate the PBC Act or the terms of the revenue bonds. Specifically, the PBC Act states that any bondholder may:

(a) By mandamus, injunction or other civil action, ***compel the Commission***, and the member or members, officers, agents or employees thereof, ***to perform each and every term, provision and covenant contained in any resolution, trust agreement or contract with or for the benefit of such bondholder***, and to require the carrying out of any or all such covenants and agreements of the Commission and the fulfillment of all duties imposed upon the Commission by this Act.

(b) By civil action, sue to ***enjoin any acts or things which may be unlawful, or in violation of any of the rights of the bondholder***.

50 ILCS 20/16(a)-(b).

#### **IV. History of the Rock Island PBC and its Authority**

61. The PBC was created by resolution of the Rock Island County Board on October 1, 1981.

62. Paragraph 1 of the resolution sets forth the limited purpose of the PBC:

[T]he ***sole purpose*** of such Public Building Commission being that of exercising the powers and authority of the [PBC Act] to provide a good and sufficient jail for the use of Rock Island County.

Ex. 1 (emphasis added).

63. On April 9, 2013, the Board placed the question of whether to expand the powers of the PBC beyond the provision of a jail to the electorate at a referendum. As set forth above,

Section 4a of the PBC Act requires approval by a majority of voters in order to expand the purpose of a public building commission. The ballot provision read:

“Shall the County Board of Rock Island County be authorized to expand the purpose of the Rock Island County Building Commission, Rock Island County, Illinois, to include all the powers and authority prescribed by the Public Building Commission Act?”

Ex. 2.

64. Rock Island voters rejected the proposal, with 61% of voters voting against the referendum.

65. Because the referendum failed, the PBC’s authority to this day remains confined to *providing a jail* for the use of Rock Island County.

## V. Construction of the “Justice Center Annex”

### *The PBC Endeavors to Construct a New Courthouse in Reliance on Its Authority to Provide for a Jail*

66. Notwithstanding the PBC’s limited authority and the results of the binding referendum, in 2015, the PBC developed a plan to finance and coordinate construction of a new courthouse, including circuit clerk space and a law library, as an “annex” to the jail. *See* Ex. 3.

67. On June 17, 2015, the PBC adopted a resolution (the “June 2015 Resolution”) consistent with Judge Braud’s proposition, and that resolution states in relevant part:

RESOLUTION *approving a site to be acquired*, altered and improved by the Rock Island Public Building Commission, Rock Island County, Illinois, and leased by said Commission to The County of Rock Island, Illinois.

[...]

WHEREAS, the Commission has heretofore *selected an area lying wholly within the City of Rock Island, Rock Island County, Illinois (the “Site”)* to be acquired, altered and improved by the Commission for the Justice Center annex project (the “*Project*”).

[...]

Section 2. *Approval of Site.* The Board of Commissioners of the ***Commission hereby approves the Site as the location to be acquired***, altered and improved by the Commission for the Project.

Ex. 4 (emphasis added).

68. On October 9, 2015, a special prosecutor brought a complaint in Henry County challenging the PBC's authority to acquire the site and construct the annex, as set forth in the June 2015 Resolution. Ex. 5.

69. On December 30, 2015, a court in Henry County ruled that the PBC was authorized to undertake the acts contemplated in the June 2015 Resolution, notwithstanding that a majority of the electorate voted not to expand the purpose of the PBC beyond providing for a jail.

***The Rock Island County Board Approves the PBC's Selection and Acquisition of the Annex Site and Construction of the Annex, in Violation of Section 14(a)(2) of the PBC Act***

70. On February 16, 2016, the Board adopted an ordinance amending its lease agreement with the PBC to include the annex site, thereby approving the PBC's selection of the annex site as set forth in its June 2015 Resolution.

71. Notwithstanding the PBC's June 2015 Resolution stating that the selected annex site was located "wholly within the City of Rock Island," neither the PBC nor the Board sought approval of its site selection from either (a) 3/4 of the Rock Island City Council, or (b) the voters of Rock Island County, as required under Section 14(a)(2) of the PBC Act.

72. Put simply, in addition to making an end run around the clear requirement in the PBC Act that only a majority of voters may authorize the expansion of the PBC's purpose beyond providing for a *jail*, the PBC also disregarded the PBC Act's clear requirement that its site selection for new projects be approved by voters, in the form of either a 3/4 majority of the City Council or a majority of voters through a referendum.

## **VI. The PBC's Bond Issue to Finance the Annex Project**

73. In 2016, to finance the construction of the Annex, the PBC issued \$28 million in public building revenue bonds (the "Bonds").

74. As part of the issuance and sale of the Bonds, the PBC entered into, issued, caused to be issued, and/or approved several documents, including but not limited to the Bonds, Official Statement, Bond Resolution, and Indenture (collectively, the "Transaction Documents"). *See* Ex. 6. Plaintiffs Shaw and Landmarks relied on the statements in the Transaction Documents in purchasing the Bonds.

### ***Statements Concerning Use of the Proceeds from the Sale of the Bonds***

75. The first page of the Transaction Documents provides that the "[p]roceeds of the Bonds will be used to (a) construct the Justice Center Annex Project ... and (b) pay costs associated with the issuance of the bonds. Ex. 6.

76. The Transaction Documents similarly provide elsewhere that "[t]he proceeds of the Bonds will be kept separate and apart from all other funds of the Commission and will be held to pay the costs of acquiring a site for, and constructing on, an annex to the County's Justice Center to be used as a courthouse for the County (the 'Justice Center Annex Project')." *Id.* at 21.

77. The Transaction Documents do not discuss using the proceeds from the sale of the Bonds to acquire any other site or undertake any other project, including but not limited to the demolition of the Historic Courthouse and the construction of a park in its place.

### ***Statement Concerning Modification and Amendment***

78. The Transaction Documents provide a procedure by which the rights and obligations of the PBC and the owners of the Bonds may be modified. Specifically, the Transaction Documents state in relevant part:

The Bond Resolution and the rights and obligations of the Commission and of the registered owners of the Bonds may be ***modified or amended at any time*** by a resolution adopted by the Commission with the ***written consent of the registered owners of sixty-six and two-thirds per cent (66-2/3%) of the principal amount of all of the Bonds***, Prior Bonds and Additional Bonds then outstanding.

Ex. 6 at 11 (emphasis added).

79. The PBC has never proposed modifying the Transaction Documents, including the Bond Resolution, to allow for the use of proceeds from the sale of the Bonds for the demolition of the Historic Courthouse, which, as alleged above, is outside the scope of the project for which the Bonds were issued. Nor has the PBC sought or obtained written consent for such a modification from bondholders owning 66.7% of the principal amount of all of the Bonds.

***Statements Concerning PBC's Obligations With Regard to Proceeds of the Bonds That Exceed the Cost of the Project as Described in the Transaction Documents***

80. Consistent with the PBC's obligations under Section 15 of the PBC Act, the Transaction Documents contemplate the creation of a "sinking fund" into which excess proceeds must be placed for the repayment of the Bonds and any interest. *See* 50 ILCS 20/15; *supra* § III.

81. The Transaction Documents refer the "sinking fund" required by the PBC Act as the "Bond and Interest Account." The PBC's description of the Bond and Interest Account states in relevant part:

All moneys in the Bond and Interest Account will be ***used only for the purpose of paying the principal of and interest on the Bonds, Prior Bonds and Additional Bonds*** as the same become due, and funds sufficient to pay such maturing principal or interest, or both, together with related fees, will be forwarded to the Bond Registrar prior to each maturity date of such principal or interest, or both, provided that all Bond Registrar fees shall be charged as a Cost of Operation and Maintenance.

Ex. 6 at 10-11 (emphasis added).

82. Likewise, again consistent with Section 15 of the PBC Act, the Transaction Documents expressly state that excess proceeds from the sale of the Bonds must be deposited in the Bond and Interest Fund (the sinking fund) for the repayment of bondholders.

***If the amount of the proceeds of the Bonds set aside and made available under the terms of the Bond Resolution for the payment of the costs of the Project exceed the cost of the Project, the Commission will deposit the excess to the Bond and Interest Account*** (as hereinafter described) as described in the Bond Resolution.

Ex. 6 at 6 (emphasis added).

***Statements Concerning Remedies Available to Owners of the Bonds***

83. Consistent with the remedies otherwise available to bondholders under Section 16 of the PBC Act, the Transaction Documents afford a right of action to any and all owners of the Bonds (1) to compel the PBC to perform its covenants and obligations as set forth in the Transaction Documents, and (2) to enjoin the PBC from acts that are unlawful and/or in violation of the rights of the bondholders. Specifically, the Transaction Documents state in relevant part:

Any registered owners of a Bond or Bonds issued under the provisions of the Bond Resolution may either in law or in equity, by suit, action, mandamus or other proceedings, enforce or compel the performance of all duties required by the Bond Resolution or the PBC Act . . . .

Ex. 6 at 13-14 (emphasis added).

84. Plaintiff Shaw is an owner of one of the Bonds.

85. Plaintiff Landmarks is an owner of one of the Bonds.

**VII. Proposed Demolition of Historic Courthouse**

***Chief Judge Braud Proposes That the PBC Finance and Demolish the Historic Courthouse and Build a Park in Its Place***

86. On November 9, 2017, in statements reported by WQAD News 8, Chief Judge Braud stated that he planned to demolish the Historic Courthouse, based on his purported authority as Chief Judge to “manage courthouses,” which he stated means “he can build them, he can erect them, and he can tear them down.”<sup>1</sup> Judge Braud also stated during the interview that

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<sup>1</sup> See <https://wqad.com/2017/11/09/judge-says-hes-moving-forward-with-plans-to-raze-the-county-courthouse/> (last visited Feb. 6, 2019).

“Rock Island deserves a beautiful building and it should not be shrouded behind an ugly, old, vacant, decrepit, mess.”

87. On November 13, 2017, Judge Braud sent a letter to the Board in which he requested that the Board authorize the PBC to abate asbestos and raze the courthouse because of “safety concerns.” Judge Braud proposed turning the area into “greenspace,” which he asserted would “beautify the site.” In his letter, Judge Braud provided a digitally created illustration of what his proposed park, park features, and improvements would look like in place of the Historic Courthouse. Ex. 7.

88. Judge Braud’s letter made clear that his proposal sought to fund the proposed park project using \$1.6 million in proceeds from the sale of the Bonds, which exceeded and remained unallocated after the cost of the Annex project. *Id.*

89. Under Section 15 of the PBC Act and the covenants in the Transaction Documents, the \$1.6 million in excess proceeds from the sale of the Bonds must be placed in the sinking fund, *i.e.*, the “Bond and Interest Fund”—they may not be used to demolish a historic building outside the scope of the Annex project, nor to construct a park to comport with Judge Braud’s vision for beautifying the site.

### ***The Rock Island County Board Approves the Proposal***

90. On July 17, 2018, the Rock Island County Board approved the demolition of the Historic Courthouse and contracted with the PBC to undertake the demolition.

91. The site of the Historic Courthouse (the “Historic Courthouse Site”) is adjacent to, but not within, the sites for the Annex project or the site for the original construction of the Justice Center. *See, e.g.*, Ex. 8 at 8.

92. Despite the PBC’s selection of a new site, neither the PBC nor the Board obtained approval for the PBC’s selection of the Historic Courthouse Site from a 3/4 majority of the Rock

Island City Council, nor did they obtain approval from a majority of voters through a referendum, as required under Section 14(a)(2) of the PBC Act.

#### **VIII. The PBC's Refusal to Comply with the Preservation Act**

##### ***The State of Illinois Demands that the PBC Delay Its Planned Demolition to Enable Compliance with the Preservation Act***

93. On November 29, 2018, the Illinois State Historic Preservation Office ("SHPO") sent a letter to the PBC's representative advising the PBC that the demolition of the Historic Courthouse was not identified in the original Annex proposal, which the SHPO, acting as DNR's designee, had approved on October 13, 2016. The letter stated that the SHPO's letter of compliance was therefore revoked. Ex. 9.

94. The SHPO letter further stated that the proposed demolition was subject to review under Section 4 of the Preservation Act as part of the overall undertaking.

##### ***The Demolition of the Historic Courthouse (and construction of a park in its place) are subject to the Preservation Act***

95. The Historic Courthouse is a "historic resource" under the Preservation Act because, among other reasons, it has been formally determined to be eligible for listing in the National Register. 20 ILCS 3420/3(c)(2); *supra* § II.

96. The proposed demolition of the Historic Courthouse constitutes an "adverse effect" under the Preservation Act because it constitutes the destruction or alteration of all or part of an historic resource. 20 ILCS 3420/3(d)(1); *supra* § II.

97. The proposed demolition of the Historic Courthouse is subject to review under the Preservation Act because it necessitates a permit from the Illinois Environmental Protection Agency ("IEPA") to discharge storm water associated with the construction site. Accordingly, the planned demolition constitutes a "State agency undertaking" subject to the Preservation Act,

because it must be carried out pursuant to a State license or permit. *See* 20 ILCS 3420/3(f)(3); *supra* § II.

98. The IEPA’s permit form likewise confirms that the Preservation Act applies to any project requiring IEPA approval. It contains a section for the applicant to certify that the project has been submitted to the “Historic Preservation Agency” and to the agency tasked with preserving endangered species. Ex. 10.

99. Additionally, the IEPA’s “Construction Permit Requirements” state that permit applicants are not authorized to proceed as if they have a permit until “the project has received sign-off from IDNR and IHPA that the project complies with . . . historic preservation laws.”<sup>2</sup>

100. Because the proposed demolition of the Historic Courthouse is subject to the Preservation Act, the IEPA may not issue any permit—and the PBC may not proceed with its project in defiance of the law—until the IEPA and the DNR (or its designee, the SHPO) complete the process the General Assembly ordered in the Preservation Act. As set forth in Section II, that process includes (1) a formal consultation between the IEPA, SHPO, permit applicants, and interested parties (*e.g.*, not-for-profit groups), (2) if necessary, a public hearing, and (3) if necessary, submission to the Historic Mediation Committee. *See supra* § II.

### ***The PBC Claims Erroneously Asserts Immunity From State Law***

101. On December 11, 2018, in response to the SHPO’s November 29 letter, the Chairman of the Board, on behalf of Rock Island County, submitted a revised application to the IEPA, in which he certified that the County had submitted the revised proposal to the SHPO as well “to satisfy applicable requirements for compliance with Illinois law.” Ex. 10.

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<sup>2</sup> *See* <https://www2.illinois.gov/epa/topics/forms/water-permits/storm-water/Pages/construction.aspx>.

102. The same day, the SHPO issued another letter thanking the County for the submission, concluding that the proposed undertaking would have an adverse effect on a historic resource, and directing the County to consult with the SHPO and IEPA pursuant to the requirements of the Preservation Act. The letter expressly forbids the County and PBC from undertaking any action, including asbestos abatement, until the requirements of the Preservation Act had been satisfied. Ex. 11.

103. On December 13, 2018, after submitting a revised proposal to the SHPO, and having been informed that the demolition could not proceed until the requirements of the Preservation Act had been satisfied, the PBC intervened and changed course. It responded with a letter to the SHPO in which it asserted for the first time, and contrary to the Board's earlier submission, that the proposed demolition is not subject to the Preservation Act because the Historic Courthouse is not a resource owned by a State agency, nor is the demolition being undertaken by a State agency. Ex. 12. The assertions of the PBC are legally incorrect and ignore the statutory definition of an "undertaking" as discussed above.

#### **IX. PBC's Actions and Contemplated Actions in Violation of the Preservation Act and the Bond Disclosure**

104. Ignoring the express directive of the SHPO, the PBC commenced asbestos abatement in the Historic Courthouse in December 2018.

105. Upon information and belief, the PBC intends to proceed with the demolition of the Historic Courthouse in defiance of state law. The PBC has not engaged in the process of consultation with the SHPO and IEPA; the SHPO and IEPA remain in consultation, having not yet reached an agreement on a feasible and prudent plan to minimize or mitigate the adverse effect to the Historic Courthouse (or agreed that a mitigation plan is neither feasible nor

prudent); and the public (including the Plaintiffs) have not had an opportunity to weigh in should the stakeholders fail to reach such an agreement—a right to which they are statutorily entitled.

**X. The City of Rock Island’s Insistence That the PBC Comply with State Law and Judge Braud’s Administrative Order Compelling Acts to the Contrary**

***The City of Rock Island’s Refusal to Provide a Demolition Permit***

106. In recognition of the Board and PBC’s attempts to force the demolition of the Historic Courthouse and construction of a park in its place—an action contrary to the will of the voters the Board purports to represent, and in violation of State law—the City of Rock Island has refused to grant the PBC the demolition permit required to begin tearing down the Historic Courthouse. Mayor Mike Thoms has stated that the City of Rock Island will not issue a demolition permit until the SHPO or DNR agree that the undertaking has complied with the Preservation Act.

107. On February 5, 2019, the PBC’s contractor applied to the City for a demolition permit.

108. Upon information and belief, as of the filing of this Complaint, the City has not granted the PBC’s contractor the permit required to shut off water service or to demolish the Historic Courthouse.

***Judge Braud’s Administrative Order***

109. On January 25, 2019, without any case or controversy pending before him, Judge Braud issued an administrative order (the “Administrative Order”) directing the Board and the PBC to demolish the Historic Courthouse. *In re: Rock Island County 1897 Courthouse*, 19CA-6 (entered Jan. 25, 2019).

110. On January 29, 2019, Judge Braud issued a “Memorandum” to the City of Rock Island Alderman alerting the alderman to his Administrative Order and to a letter he sent to the

Mayor the same day, in which he described his view of “the only lawful circumstances under which [the alderman] can deny the County a permit for demolition.” Ex. 13.

111. In his contemporaneous letter to the Mayor, Judge Braud identified three legal areas of “possible disagreement,” all of which he answered “No.”

112. Judge Braud’s Administrative Order relies on factual findings made without any evidentiary hearing or record, which alone renders the Administrative Order an abuse of discretion. The sole case cited in the 10-page order, *Knuepfer v. Fawell*, 96 Ill. 2d 284 (1983), cautions “it is essential that any such administrative order [compelling the production of judicial resources] be entered only after a hearing of which adequate notice is given and at which all interested parties are afforded an opportunity to present their views.” 96 Ill. 2d at 294-95. The court conducted no such hearing. Moreover, *Knuepfer* addresses the inherent power of the courts to “require production of the facilities, personnel and resources reasonably necessary to enable them to perform their judicial functions with efficiency, independence and dignity.” *Id.* at 293 (quotations and citations omitted). It does not address any inherent authority to compel the *destruction* of facilities and resources, let alone historic ones, owned by a county and not the judiciary. The weighing of potential safety risks along with other considerations is the very purpose of the consultation and review process set forth in the Preservation Act.

113. The Administrative Order incorrectly states that the PBC’s IEPA permit application—the permit triggering the Preservation Act—has been “deemed approved” because “[n]o Notice of Incompleteness letter has been received.” Administrative Order ¶ 4. The exhibit relied on by the Order for that finding, Exhibit 5, directly undermines that finding. Exhibit 5 states in relevant part:

Unless notified by the Agency with a Notice of Incompleteness letter, coverage under the Storm Water General NPDES permit is automatic, and operators are authorized to

discharge storm water from construction sites under the terms and conditions of the permit 30 days after the date the NOI is received by the Agency, ***provided the project has received sign-off from IDNR and IHPA that the project complies with endangered species and historic preservation laws*** and the appropriate application fee has been received by the Agency.

*Id.* Ex. 5 (emphasis added).<sup>3</sup>

114. The Administrative Order also purports to consider the “claims” of unidentified “[i]ndividuals who disagree with the County Board’s decision to raze the Courthouse,” and who “have publicly questioned the legality of demolition claiming the Preservation Act.”

Administrative Order ¶¶ 25-26. Although none of those claims have ever been substantively presented or considered—as discussed above, there was no administrative hearing and the sole suit was dismissed on standing grounds—the court finds that they lack merit. *Id.* ¶ 26.

115. None of the legal bases on which the court concludes the PBC is immune from the Preservation Act are correct, and will set forth the reasons why if and when Defendants assert those arguments in response to this Complaint and forthcoming motion for a temporary restraining order and injunction.

116. One assertion in the Administrative Order, however, bears mention here: “Chief Judges are directed to use [their inherent authority to compel production of judicial resources] ***only when exigent circumstances exist.***” Administrative Order ¶ 10 (emphasis added).

## **XI. The Only Exigent Circumstances Present Weigh in Favor of an Injunction**

117. Although the Administrative Order identifies certain “exigent circumstances,” none of which are supported by citations to any factual record, the exigency of those circumstances (*e.g.*, that “delay jeopardizes [the demolition] contracts”) pales in comparison to

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<sup>3</sup> See also <https://www2.illinois.gov/epa/topics/forms/water-permits/storm-water/Pages/construction.aspx>.

the irreparable and imminent harm of the PBC bulldozing a historic resource in violation of the law and its own bond covenants.<sup>4</sup>

118. The PBC is racing to bulldoze the Historic Courthouse in violation of the Preservation Act, frustrating the public's right to participate in the consultation and hearing process concerning the handling of a culturally and historically significant resource—that belongs to the public. That right is meaningless if the PBC or anyone else may simply ignore the review process created by the General Assembly without any consequence.

119. Worse, the PBC at issue in this case is a public building commission untethered from its legal authorization. The demolition project represents at least the third instance in which the PBC has undertaken a project that is beyond the scope of its purpose to provide a jail and at least the second instance in which the PBC has ignored its obligation to secure a supermajority of the City Council before undertaking projects within city limits. Finally, the PBC is pursuing its unlawful action using funds it is statutorily and contractually required to place in a sinking fund for the repayment of bondholders.

## **COUNT I**

### **Violation of the Illinois State Agency Historic Resources Preservation Act, 20 ILCS 3420/1 *et seq.***

#### **By All Plaintiffs Against All Defendants**

120. Plaintiffs incorporate all the above paragraphs as if fully set forth herein.

121. Because the demolition of the Historic Courthouse constitutes a state agency undertaking that will have an adverse effect on a historic resource, Defendants must participate

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<sup>4</sup> Plaintiffs do not intend to minimize the safety risk to the judges of the 14th Circuit, to the extent there is a real and demonstrable threat that Historic Courthouse functions as a “sniper’s nest.” Administrative Order ¶ 45. But Plaintiffs are entitled to test the factual support for that claim, or similar assertions, to the extent Defendants make them in this case.

in and cease the undertaking until the requirements of Section 4 of the Preservation Act have been satisfied.

122. As of the filing of this Complaint, Defendants have not participated in that process nor have they received any indication that it is complete.

123. As of the filing of this Complaint, Defendants have not received a demolition permit from the City of Rock Island.

124. By engaging in asbestos abatement in advance of completing the Section 4 process, in direct violation of the SHPO's guidance, Defendants have and continue to violate the Preservation Act.

125. Upon information and belief, Defendants intend to proceed with the demolition process in disregard to the Preservation Act.

126. Defendants' conduct is causing and will continue to cause irreparable harm to Plaintiffs' and the public's interest in preserving a site of historic significance and Plaintiffs' and the public's interest in ensuring that public property is not disposed of in a manner contrary to the law.

## **COUNT II**

### **Violation of Illinois' Public Building Commission Act, 50 ILCS 20/14(a)(2)**

#### **By All Plaintiffs Against All Defendants**

127. Plaintiffs incorporate all the above paragraphs as if fully set forth herein.

128. Section 14(a)(2) of the PBC Act requires the PBC to secure approval for any "site" from 75% of the Rock Island City Council or a majority of voters.

129. The PBC never acquired this approval before starting the project in 2016 to build the Annex.

130. The PBC also never acquired such approval before selecting the Historic Courthouse Site for demolition and conversion to a park.

131. Defendants' conduct is causing and will continue to cause irreparable harm to Plaintiffs' and the public's interest in preserving a site of historic significance and Plaintiffs' and the public's interest in ensuring that public property is not disposed of in a manner contrary to the law.

### **COUNT III**

#### **Violation of Illinois' Public Building Commission Act, 50 ILCS 20/4a**

##### **By All Plaintiffs Against All Defendants**

132. Plaintiffs incorporate all the above paragraphs as if fully set forth herein.

133. As set forth above, the sole purpose of the PBC as authorized by electors under 50 ILCS 20/4a is to provide "a good and sufficient jail."

134. The PBC's and Board's actions authorizing the PBC to demolish a vacant historic courthouse, which is not part of or structurally connected to the jail, constitute an enlargement of the PBC's purpose.

135. Under the PBC Act, a public building commissions' purpose may only be enlarged by submitting the question to electors. 50 ILCS 20/4a.

136. The PBC and the Board, having attempted and failed to enlarge the PBC's purpose through the legal channels, and failed in a referendum, but have nevertheless enlarged its purpose without approval from the electors in violation of the PBC Act.

### **COUNT IV**

#### **Violation of Illinois' Public Building Commission Act, 50 ILCS 20/15**

##### **By Plaintiffs Landmarks and Shaw Against the PBC**

137. Plaintiffs incorporate all the above paragraphs as if fully set forth herein.

138. Section 15 of the PBC Act states that the PBC must set up a “sinking fund created for making payment of principal or interest of such bonds as the same matures or for the purchase of outstanding bonds” and transfer into that fund all “proceeds from the sale of bonds ... exceed[ing] the cost of the project.”

139. Accordingly, after completing the Annex, the PBC was required to transfer all leftover funds from the sale of bonds into a sinking fund.

140. The Annex was completed in late 2018 or early 2019, when it was declared “ready for occupancy” and “constructed.”

141. Upon information and belief, consistent with Judge Braud’s public statements, there were at least \$1.6 million in excess proceeds from the sale of the Bonds.

142. Despite these excess proceeds, the PBC has not transferred the excess funds into the sinking fund as required under the PBC Act. Instead it has used those funds to finance the demolition of the Historic Courthouse and construction of a park.

143. Defendants’ violation of Section 15 of the PBC Act is causing and will continue to cause irreparable harm to Plaintiffs’ and the public’s interest in preserving a site of historic significance and Plaintiffs’ and the public’s interest in ensuring that public property is not disposed of in a manner contrary to the law.

## **COUNT V**

### **Breach of Contract against PBC by Plaintiffs Landmarks and Shaw, Improper Modification of Terms**

144. Plaintiffs incorporate all the above paragraphs as if fully set forth herein.

145. The Bonds and the Transaction Documents constitute valid, enforceable contracts between the PBC and plaintiffs Landmarks and Shaw.

146. The PBC modified the terms of the Bond Resolution to allow for use of the Bonds' proceeds to finance a demolition project separate and apart from the annex project set forth in the Transaction Documents.

147. The PBC did so without securing written consent of the registered owners of 66-2/3% of the Bonds, Prior Bonds and Additional Bonds then outstanding.

148. The PBC's improper modification of the terms of the Bond Resolution constitutes a breach of contract under the terms of the Transaction Documents.

149. Plaintiffs Landmarks and Shaw are entitled, under both the PBC Act and the terms of the Transaction Documents, to seek equitable relief to compel the PBC to comply with the terms of the Transaction Documents and enjoin the PBC acts that are unlawful and which violate the covenants of the Transaction Documents.

## **COUNT VI**

### **Breach of Contract against PBC by Plaintiffs Landmarks and Shaw, Misappropriation of Excess Proceeds**

1. Plaintiffs incorporate all the above paragraphs as if fully set forth herein.
2. The Bonds and the Transaction Documents constitute valid, enforceable contracts between the PBC and plaintiffs Landmarks and Shaw.
3. There are at least \$1.6 million in excess proceeds.
4. Under the terms of the Transaction Documents, the PBC is required to deposit the excess proceeds in the Bond and Interest Fund, which may not be used to finance additional projects outside the scope of the project set forth in the Transaction Documents.
5. The PBC's failure to deposit the excess proceeds in the Bond and Interest Fund and its misappropriation of the proceeds for a separate project not set forth in the Transaction Documents constitutes a breach of contract under the Transaction Documents.

6. Plaintiffs Landmarks and Shaw are entitled, under both the PBC Act and the terms of the Transaction Documents, to seek equitable relief to compel the PBC to comply with the terms of the Transaction Documents and enjoin the PBC acts that are unlawful and which violate the covenants of the Transaction Documents.

## **PRAYER FOR RELIEF**

All Plaintiffs respectfully request that the Court grant the following relief:

- A. Declare unlawful the PBC's and Board's planned demolition of the Historic Courthouse and construction of a park in advance of the completion of the process required under the Preservation Act, in violation Section 4 of the Preservation Act.
- B. Declare unlawful the PBC's and Board's planned demolition of the Historic Courthouse and construction of a park—a new project on a new site which has not been approved by a 3/4 majority of the county seat's governing board or a majority of electors—in violation of Section 14(a)(2) of the PBC Act.
- C. Declare unlawful the PBC's and Board's planned demolition of the Historic Courthouse and construction of a park—a project that bears no relation to the PBC's only authorized purpose to provide a good and sufficient jail—as a violation of Section 4a of the PBC Act.
- D. Temporarily restrain and permanently enjoin the PBC and Board from demolition the Historic Courthouse and construction of a park, to preserve the status quo until both Defendants have satisfied the legal requirements of the Preservation Act and the PBC Act.
- E. Temporarily restrain and permanently enjoin the PBC and Board from demolition of the Historic Courthouse and construction of a park, to preserve the status quo until both Defendants have satisfied the legal requirements of the Preservation Act and the PBC Act.
- F. The PBC's demolition of the Historic Courthouse is imminent. The unlawful demolition will cause irreparable harm to Plaintiffs' and the public's interest in preserving a site of historic significance and Plaintiffs' and the public's interest in ensuring that public property is not disposed of in a manner contrary to the law.
- G. Aware Plaintiffs their costs and reasonable attorneys' fees and expenses, to the extent appropriate, incurred in connection with bringing this action.
- H. Grant Plaintiffs such other relief as the Court deems just and appropriate.

Plaintiffs Landmarks and Shaw respectfully request that the Court grant the following additional relief:

- A. Declare unlawful the PBC's misappropriation of the excess proceeds from the sale of the Bonds—which under the PBC Act and the terms of the Transaction Documents must be

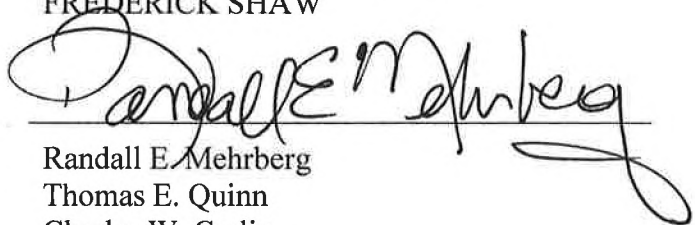
placed in a sinking fund—as a violation of Section 15 of the PBC Act and a breach of contract.

- B. Declare unlawful the PBC's modification of the terms of the Bond Resolution—undertaken without securing the required 2/3 approval of bondholders—as a breach of contract.
- C. Temporarily restrain and permanently enjoin the PBC from demolishing the Historic Courthouse and constructing a park by unlawfully misusing proceeds from the sale of the Bonds, and order the PBC to deposit the excess proceeds from the sale of the Bonds into the Bond and Interest Fund, *i.e.*, the “sinking fund,” as required in the Transaction Documents and by the PBC Act.
- D. The PBC's demolition of the Historic Courthouse is imminent. The unlawful misappropriation of funds will cause irreparable harm to Plaintiffs Landmarks and Shaw because the PBC has no independent ability to raise funds to replace those they have misappropriated.

Dated: February 6, 2019

Respectfully submitted,

LANDMARKS ILLINOIS, NATIONAL  
TRUST FOR HISTORIC PRESERVATION,  
ROCK ISLAND PRESERVATION  
SOCIETY, MOLINE PRESERVATION  
SOCIETY, BROADWAY HISTORIC  
DISTRICT ASSOCIATION; and  
FREDERICK SHAW



Randall E. Mehrberg  
Thomas E. Quinn  
Charles W. Carlin  
JENNER & BLOCK LLP (#05003)  
353 N. Clark Street  
Chicago, IL 60654-3456  
Telephone: (312) 222-9350

*Attorneys for All Plaintiffs*

### **VERIFICATION**

Under penalties as provided by law pursuant to Section 1-109 of the Code of Civil Procedure, the undersigned certifies that the statements set forth in this instrument are true and correct, except as to matters therein stated to be on information and belief and as to such matters the undersigned certifies as aforesaid that she verily believes the same to be true.

Dated: February 6, 2019



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Bonnie McDonald  
President and Chief Executive Officer  
Landmarks Illinois

**VERIFICATION**

Under penalties as provided by law pursuant to Section 1-109 of the Code of Civil Procedure, the undersigned certifies that the statements set forth in this instrument that relate to claims brought under the Illinois State Agency Historic Resources Preservation Act and Illinois' Public Building Commission Act are true and correct, except as to matters therein stated to be on information and belief and as to such matters the undersigned certifies as aforesaid that it verily believes the same to be true. The undersigned does not certify that the statements set forth in this instrument relating to the causes of action brought by individual bondholders are true and correct.

Dated: February 6, 2019



Elizabeth S. Merritt  
Deputy General Counsel  
National Trust for Historic Preservation

# **Exhibit 1**

A RESOLUTION CREATING THE ROCK ISLAND  
COUNTY PUBLIC BUILDING COMMISSION

WHEREAS, the County of Rock Island, Illinois, is required by the provisions of Ch. 75, Sec. 1, Ill. Rev. Stat., to keep and maintain in good and sufficient condition a jail facility for the use of the County, and

WHEREAS, the present county jail facility is no longer adequate and is deficient in many respects in regard to standards pertaining to such facilities, as is evidenced by the decision of the U. S. District Court, Central District of Illinois, in the case entitled Norris et al., v. Heaton et al., No. 80-4026, and

WHEREAS, the general revenues of Rock Island County are not sufficient to construct a new jail facility or substantially remodel or renovate the existing facility, and

WHEREAS, on two (2) occasions, the voters of Rock Island County have failed to approve the issue of bonds to construct a new jail facility at referenda submitted to such voters, and

WHEREAS, it is imperative that steps be taken in the immediate future to insure that there is a good and sufficient jail available for the use of Rock Island County;

BE IT THEREFORE RESOLVED BY THE COUNTY BOARD OF ROCK ISLAND COUNTY, ILLINOIS, IN OPEN MEETING THIS Frist DAY OF OCTOBER A. D. 1981, AS FOLLOWS:

1. That there is a need and that it is in the best interest of the public that a Public Building Commission be organized to exercise the powers and authority prescribed by the Public Building Commission Act (Ch. 85, Sec. 1031 et seq., Ill. Rev. Stat.), the sole purpose of such Public Building Commission being that of exercising the powers and authority of the Public Building Commission Act to provide a good and sufficient jail for the use of Rock Island County.

2. That the name of such public building commission shall be "The Rock Island County Public Building Commission".

Exhibit A

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3. That the Chairman of the County Board shall, within ten (10) days of the date of the adoption of this Resolution, cause a copy thereof to be published in the Rock Island Argus, a daily newspaper published in the county seat of Rock Island County.

4. That within ten (10) days following the expiration of sixty (60) days after the date of publication of the original Resolution, the Chairman of the County Board shall file in the office of the Recorder of Deeds of Rock Island County, Illinois, under one (1) cover, a certified copy of this Resolution, a Certificate of Publication by the Rock Island Argus, setting forth the date of publication and all certified copies of resolutions adopted by the governing bodies of municipal corporations desiring to join in the organization of the Public Building Commission which have been transmitted to him, if there be any.

5. That this Resolution shall be effective upon its adoption by the County Board of Rock Island County.

DONE IN OPEN MEETING THIS First DAY OF OCTOBER

A. D. 1981.

THE COUNTY BOARD OF ROCK ISLAND COUNTY,  
ILLINOIS

By Paul E. Mulcahey  
PAUL MULCAHEY, Chairman

ATTEST: W. J. Foley  
WILLIAM J. FOLEY, County Clerk



# **Exhibit 2**

(Face of Ballot)

OFFICIAL BALLOT

PROPOSITION TO EXPAND THE PURPOSE OF THE ROCK ISLAND COUNTY PUBLIC BUILDING COMMISSION

(INSTRUCTIONS TO VOTERS: Mark a cross  
(X) in the space opposite the word  
indicating the way you desire to vote.)

Shall the County Board of The County of Rock Island be authorized to expand the purpose of The Rock Island County Public Building Commission, Rock Island County, Illinois to include all the powers and authority prescribed by the Public Building Commission Act?	YES	
	NO	

(Back of Paper Ballot)

OFFICIAL BALLOT

Official ballot for voting on the proposition to expand the purpose of The Rock Island County Public Building Commission, Rock Island County, Illinois, at the consolidated election held on April 9, 2013.

Precinct Number: \_\_\_\_\_

Polling Place: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Facsimile Signature)

\_\_\_\_\_  
County Clerk, The County of Rock Island,  
Illinois

Exhibit C

# **Exhibit 3**

# Special prosecutor to challenge latest plan for Rock Island County Courthouse

POSTED 4:12 PM, OCTOBER 9, 2015, BY SHELLIE NELSON AND MEGAN NOE, *UPDATED AT 05:16PM, OCTOBER 9, 2015*

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*This is an archived article and the information in the article may be outdated. Please look at the time stamp on the story to see when it was last updated.*

## Rock Island County Courthouse plan challenged



A pared-down plan to deal with the Rock Island County Courthouse is being put to the legal test.

On Friday, October 9, 2015, a special prosecutor was appointed to pursue action against the county's Public Building Commission over the plan to build an annex courthouse onto the current Justice Center.

Earlier this year, Chief Justice Walter Braud pitched the complicated plan, which would add much-needed civil courtrooms, circuit clerk space and a law library. The Rock Island County Board approved a resolution in June of 2015 that would allow the Public Building Commission to purchase the site next to the Justice Center.

Braud believes the addition could be built for less than \$25 million.

However, questions remain over the legality of Braud's plan, and a lawsuit was planned to test whether the Public Building Commission could undertake the project.

The Public Building Commission was created in the 1980s in order to build the county jail, and according to the legal complaint, the group is only allowed to "provide a good and sufficient jail" for the county, and it does not have the authority to approve the courthouse construction project.

The complaint says the commission's authority can only be expanded if voters approve it, and a measure to expand the commission's authority was actually defeated in an election in April 2013.

The action asks that the June resolution, approving the construction project, "be declared null and void." It also asks for a declaration that the Public Building Commission overstepped its authority.

Critics of this latest plan to deal with the aging courthouse argue that it is incomplete.

"I'm all for doing it, and if we can do it through the Building Commission, that's fine. But we have to address the rest of the problems, too. We have a county building that's falling down and costs us more money to run than what it's worth. The courthouse has a lot of problems," said county board member Don Johnston.

Because the legal complaint involves another office of Rock Island County, Rock Island County state's attorney John McGehee could have a conflict of interest in pursuing the complaint.

So, Judge Walter Braud ordered a special prosecutor to handle the complaint. In addition to appointing the Illinois State's Attorney Appellate Prosecutor's Office to pursue the case, Judge Dana McReynolds was appointed to preside over it. All proceedings will happen at the Henry County Courthouse in Cambridge, Illinois.

"Really, it's a legal argument, and the legal arguments need to be presented to a judge that is disinterested, a fair and impartial judge," said McGehee.

The special prosecutor was appointed at no cost to the county, the order said.

Read the background documents for the complaint concerning Rock Island County Public Buildings Commission [here](#)

# **Exhibit 4**

RESOLUTION approving a site to be acquired, altered and improved by The Rock Island County Public Building Commission, Rock Island County, Illinois, and leased by said Commission to The County of Rock Island, Illinois.

\* \* \*

WHEREAS, The Rock Island County Public Building Commission, Rock Island County, Illinois (the "*Commission*"), a municipal corporation heretofore duly organized under the provisions of the Public Building Commission Act of the State of Illinois, as amended (the "*Act*"), was incorporated for the purpose of providing a good and sufficient jail for use in The County of Rock Island, Illinois (the "*County*"); and

WHEREAS, the Commission has heretofore selected an area lying wholly within the City of Rock Island, Rock Island County, Illinois (the "*Site*") to be acquired, altered and improved by the Commission for the Justice Center annex project (the "*Project*"); and

WHEREAS, the Site is more particularly described in *Exhibit A* attached hereto and made a part hereof:

NOW, THEREFORE, Be it Resolved by the Board of Commissioners of The Rock Island County Public Building Commission, Rock Island County, Illinois, as follows:

*Section 1.* The Board hereby finds that all of the recitals contained in the preambles to this Resolution are full, true and correct and does incorporate them into this Resolution by this reference.

*Section 2. Approval of Site.* The Board of Commissioners of the Commission hereby approves the Site as the location to be acquired, altered and improved by the Commission for the Project.

Exhibit B

**Section 3.** If any section, paragraph, clause or provision of this Resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Resolution.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

**Section 4.** All resolutions or parts thereof in conflict herewith be and the same are hereby repealed, and this Resolution shall be in full force and effect upon its passage as provided by law.

Adopted June 17, 2015.

  
Chairman

Attest:

  
Secretary

# **Exhibit 5**

IN THE CIRCUIT COURT OF THE FOURTEENTH JUDICIAL CIRCUIT  
ROCK ISLAND COUNTY, ILLINOIS, GENERAL DIVISION

PEOPLE OF THE STATE OF ILLINOIS,

Plaintiff,

vs.

ROCK ISLAND COUNTY ILLINOIS PUBLIC  
BUILDING COMMISSION, a body politic  
and corporate,  
Defendant.

NO. 2015 MR 943

FILED in the CIRCUIT COURT  
of ROCK ISLAND COUNTY  
GENERAL DIVISION

OCT - 9 2015

*Jimmy R. Lusk*  
Clerk of the Circuit Court

**ORDER**

COMES NOW the People of Rock Island County State's Attorney, John L. McGehee, on motion to appoint Illinois State's Attorney Appellate Prosecutor to proceed with the filing of a Quo Warranto complaint against the Rock Island County Public Building Commission and the Court being fully advised, ORDERS:

1. The Illinois State's Attorney Appellate Prosecutor's Office is hereby appointed as Special Prosecutor as provided in 55 ILCS 5/3-9008 as conflict attorney for the Rock Island County State's Attorney, John L. McGehee at no costs to Rock Island County;

2. The Court takes notice of the apparent of conflict of interest and with the approval of the Illinois Supreme Court assigns this case to Judge Dana McReynolds. Judge McReynolds will conduct all proceedings at the Henry County Courthouse in Cambridge, Illinois. This assignment will assure that all proceedings will be presented before a Judge who is not assigned to Rock Island County. That Henry County, Illinois is geographically convenient to the parties;

3. Further, the Court requests that the Director of the Office of the State's Attorneys Appellate Prosecutor designate an attorney or attorneys employed by the agency to serve as Special Prosecutor(s) for this cause. Such designated attorney or attorneys shall file their entry of appearance(s) in this cause by filing their oath(s) of office with the Circuit Clerk of this Court;

4. In further accordance with the statute, the filing of the oath of office shall constitute a recognition and acknowledgment that service as the Special Prosecutor is at the pleasure of the Illinois Attorney General, who may substitute her office as Special Prosecutor as provided by law.

DATED: 10/09/2015

*[Signature]*  
JUDGE

IN THE CIRCUIT COURT OF THE FOURTEENTH JUDICIAL CIRCUIT  
ROCK ISLAND COUNTY, ILLINOIS

PEOPLE OF THE STATE OF ILLINOIS, )  
Plaintiff, )  
vs. )  
ROCK ISLAND COUNTY ILLINOIS PUBLIC )  
BUILDING COMMISSION, a body politic )  
and corporate, )  
Defendant. )

No. 15 - MR-

FILED in the CIRCUIT COURT  
of ROCK ISLAND COUNTY  
GENERAL DIVISION

OCT - 9 2015

*Sammy R. Edwards*  
Clerk of the Circuit Court

COMPLAINT IN QUO WARRANTO

Now come the People of the State of Illinois by the Office of the State's Attorney's Appellate Prosecutor and the office's designee, Charles R. Zalar, and for its complaint in Quo Warranto, states:

1. This action in quo warranto is brought by the People of the State of Illinois pursuant to the provisions of 735 ILCS 5/1801(5).
2. The Rock Island County Illinois Public Building Commission ( hereinafter Commission) is a body politic and corporate, having been created by resolution of the Rock Island County Board on October 1, 1981. A copy of the resolution is attached hereto as Exhibit A.
3. Paragraph 1 of the resolution sets forth the limited purpose of the Commission:  
" the sole purpose of such Public Building Commission being that of exercising the powers and authority of the Public Building Commission Act to provide a good and sufficient jail for the use of Rock Island County."
4. On June 17, 2015 the Commission adopted a resolution approving a site to be acquired, altered and improved by the Commission and leased by the Commission to Rock Island County. The resolution recites that the site to be acquired and improved is for "the Justice Center annex project." A copy of the resolution is attached hereto as Exhibit B.
5. The June 17, 2015 resolution expands the purpose of the Commission from one of providing "a good and sufficient jail" to one of constructing a "Justice Center annex project."
6. Section 4a of the Public Building Commission Act ( 50 ILCS 20/4a) provides a method for a county board to expand the purpose of a public building commission:  
"The purpose of a public building commission created by the county board of any county may not be expanded until the question of expanding the purpose of the public building commission has been submitted to the electors of the county at a

regular election and approved by a majority of the electors voting on the question.”

7. The Rock Island County Board placed the question whether to expand the powers of the Commission to the electorate at a referendum held on April 9, 2013. The ballot provision read:

“Shall the County Board of Rock Island County be authorized to expand the purpose of the Rock Island County Building Commission, Rock Island County, Illinois to include all the powers and authority prescribed by the Public Building Commission Act?”

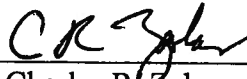
A copy of the ballot is attached hereto as Exhibit C.

8. The measure was defeated by the voters at the election.
9. The June 17, 2015 resolution violates the provisions of 50 ILCS 20/4a by changing and expanding the purpose of the Commission from one of “providing a good and sufficient jail” to one a “Justice Center annex project” without first submitting the issue to the voters of the county at an election.
10. The Rock Island County Public Building Commission has exceeded and is without authority to proceed with a “Justice Center annex project.”

Wherefore, the People of the State of Illinois pray as follows:

- A. That the Commission be ordered to establish by what authority it has the power to acquire and improve a site for the purpose of a Justice Center Annex project.
- B. That an order be entered declaring that the Commission has exceeded its authority by approving the Justice Center annex project; and
- C. That the June 17, 2015 Commission resolution be declared null and void.; and
- D. For whatever other relief in the premises is just.

People of the State of Illinois



Charles R. Zalar  
Special Prosecutor

State's Attorney's Appellate Prosecutor  
Charles R. Zalar  
725 South Second Street  
Springfield, IL 62704  
Phone: 217.782.1628  
Fax: 217.782.6305

# **Exhibit 6**

NEW ISSUE  
BOOK-ENTRY ONLY

**Ratings:**  
**STANDARD & POOR'S: "AA" (Stable Outlook)**  
**AGM Insured**  
**MOODY'S: "A3"**  
**See "BOND RATING" herein**

*Subject to compliance by the Commission and the County with certain covenants, in the opinion of Chapman and Cutler LLP, Chicago, Illinois ("Bond Counsel"), under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "TAX EXEMPTION" herein for a more complete discussion.*

**The Rock Island County Public Building Commission**  
**Rock Island County, Illinois**  
**\$28,000,000 Public Building Revenue Bonds, Series 2016**

**Dated: Date of Delivery**

**Due: December 1, as further described on the inside cover page**

The Public Building Revenue Bonds, Series 2016 (the "*Bonds*"), of The Rock Island County Public Building Commission, Rock Island County, Illinois (the "*Commission*"), will be issued in fully registered form and will be registered initially only in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("*DTC*"). DTC will act as securities depository for the Bonds. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds purchased. Ownership by the beneficial owners of the Bonds will be evidenced by book-entry only. Payments of principal of and interest on the Bonds will be made by Zions Bank, a division of ZB, National Association, Chicago, Illinois, as bond registrar and paying agent, to DTC, which in turn will remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds. As long as Cede & Co. is the registered owner as nominee of DTC, payments of principal of and interest on the Bonds will be made to such registered owner, and disbursement of such payments will be the responsibility of DTC and its participants. Individual purchases of the Bonds will be made in the principal amount of \$5,000 or any integral multiple thereof.

The Bonds will bear interest from their dated date at the rates per annum as shown on the inside cover page. Interest on the Bonds (computed on the basis of a 360-day year consisting of twelve 30-day months) will be payable semi-annually on each June 1 and December 1, commencing December 1, 2016.

Proceeds of the Bonds will be used to (a) construct the Justice Center Annex Project (as defined herein) and (b) pay costs associated with the issuance of the Bonds.

The Bonds due on or after December 1, 2027, are subject to redemption prior to maturity at the option of the Commission, as a whole or in part, on any date on or after December 1, 2026, at the redemption price of par plus accrued interest to the redemption date. See "THE BONDS—Redemption" herein.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by Assured Guaranty Municipal Corp ("*AGM*"). See "BOND INSURANCE" and APPENDIX C herein.



The Bonds are payable on a parity with the Commission's outstanding Justice Center Revenue Refunding Bonds, Series 2009 (the "*Series 2009 Bonds*"), and Justice Center Revenue Refunding Bonds, Series 2012 (the "*Series 2012 Bonds*" and, together with the 2009 Bonds, the "*Prior Revenue Bonds*"), solely from the revenues to be derived from the operation, management and use of the Justice Center (as hereinafter defined), which revenues include payments received under the Amended Lease (as defined herein) for the use and occupancy of the site on which the Justice Center and the improvements thereto are located, as further defined and described in the Amended Lease, duly authorized and entered into by and between the Commission and The County of Rock Island, Illinois (the "*County*"). The Commission has no power to levy taxes. The County Board of the County has adopted an ordinance providing for the levy and collection of direct annual taxes upon all taxable property in the County sufficient to pay the annual rentals due under the Amended Lease. In the opinion of Bond Counsel, all taxable property in the County is subject to the levy of taxes to pay the same without limitation as to rate or amount. The rights of the owners of the Bonds and the enforceability of the Bonds may, however, 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.

*The Bonds are offered when, as and if issued by the Commission and received by Robert W. Baird & Co., Incorporated, Naperville, Illinois (the "Underwriter"), subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, and certain other conditions. Chapman and Cutler LLP, Chicago, Illinois, will also act as Disclosure Counsel to the Commission. It is expected that beneficial interests in the Bonds will be available for delivery through the facilities of DTC on or about February 29, 2016.*

**BAIRD**

The date of this Official Statement is February 25, 2016.

**The Rock Island County Public Building Commission  
Rock Island County, Illinois**

**\$28,000,000 PUBLIC BUILDING REVENUE BONDS, SERIES 2016**

**MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS**

MATURITY (DECEMBER 1)	AMOUNT	INTEREST RATE	YIELD	CUSIP NUMBER* (772358)
2020	\$ 605,000	3.000%	1.860%	CE5
2021	625,000	3.000%	2.070%	CF2
2022	645,000	4.000%	2.250%	CG0
2023	670,000	4.000%	2.490%	CH8
2024	695,000	5.000%	2.640%	CJ4
2025	730,000	5.000%	2.770%	CK1
2026	770,000	5.000%	2.890%	CL9
2027	805,000	3.000%	3.150%	CM7
2028	830,000	3.000%	3.250%	CN5
2029	855,000	3.125%	3.350%	CP0
2030	880,000	5.000%	3.310%	CQ8
2031	925,000	5.000%	3.400%	CR6

5.000% \$5,375,000 Term Bond due December 1, 2036; Yield: 3.640%; CUSIP:\* 772358 CS4  
5.000% \$6,860,000 Term Bond due December 1, 2041; Yield: 3.880%; CUSIP:\* 772358 CT2  
4.000% \$6,730,000 Term Bond due December 1, 2045; Yield: 4.070%; CUSIP:\* 772358 CU9

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\* CUSIP data herein is provided by the CUSIP Global Services, managed on behalf of the American Bankers Association by S&P Capital IQ, a part of McGraw-Hill Companies Financial. No representations are made as to the correctness of the CUSIP numbers. These CUSIP numbers may also be subject to change after the issuance of the Bonds.

No dealer, broker, salesman or other person has been authorized by the Commission or Robert W. Baird & Co., Incorporated, Naperville, Illinois (the “*Underwriter*”), to give any information or to make any representations other than those contained in this Official Statement in connection with the offering described herein and if given or made, such other information or representations must not be relied upon as statements having been authorized by the Commission, the Underwriter or any other entity. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Bonds, nor shall there be any offer to sell or solicitation of an offer to buy the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. This Official Statement is submitted in connection with the sale of the securities described in it and may not be reproduced or used, in whole or in part, for any other purposes.

Unless otherwise indicated, the Commission is the source of all tables and statistical and financial information contained in this Official Statement. The information contained in this Official Statement concerning Assured Guaranty Municipal Corp. (“*AGM*”) and the Bond Insurance Policy has been obtained from the AGM. The information contained in this Official Statement concerning DTC has been obtained from DTC. The other information set forth herein has been furnished by the Commission or from other sources believed to be reliable. The information and opinions expressed herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Commission since the date of this Official Statement.

AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading “BOND INSURANCE” and “APPENDIX C—Specimen Municipal Bond Insurance Policy” herein.

This Official Statement should be considered in its entirety and no one factor considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports or other documents are referred to herein, reference should be made to such statutes, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

Any statements made in this Official Statement, including the Exhibits and Appendices, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Official Statement contains certain forward-looking statements and information that are based on the Commission’s beliefs as well as assumptions made by and information currently available to the Commission. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

**IN CONNECTION WITH THE OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SECURITIES OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.**

**THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

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## **EXHIBITS**

Exhibit A	—	Combined Statement of Revenues, Expenditures and Changes in Fund Balance of the County, 2010-2014
Exhibit B	—	General Fund Budget of the County, Fiscal Year Ending November 30, 2016
Exhibit C	—	Statement of Net Assets of the Commission, General Fund, Fiscal Years Ending June 30, 2010-2014
Exhibit D	—	Statement of Revenues, Expenses and Changes in Net Assets of the Commission, General Fund, Fiscal Years Ending June 30, 2010-2014

## **APPENDICES**

Appendix A-1	—	Audited Financial Statements of the Commission for the Fiscal Year Ended June 30, 2014
Appendix A-2	—	Comprehensive Annual Financial Report of the County for the Fiscal Year Ended November 30, 2015
Appendix B	—	Proposed Form of Opinion of Bond Counsel
Appendix C	—	Specimen Municipal Bond Insurance Policy

**THE ROCK ISLAND COUNTY PUBLIC BUILDING COMMISSION  
ROCK ISLAND COUNTY, ILLINOIS**

**1504 Third Avenue  
Rock Island, Illinois 61201-8624  
www.rockislandcounty.org**

**Board of Commissioners of the Commission**

Leroy Peterson  
Patrick Wendt  
Tom McCune  
Craig Kavensky  
Richard Fisher

**The County**

**Chairman**

Ken Maranda

**Vice-Chairman**

Nick Camlin

**Board Members**

Steven Ballard  
Michael Burns  
Jeff Deppe  
Donald L. Jacobs  
Mia D. Mayberry  
Ron Oelke  
Michael Steffen  
Brian D. Vyncke

Richard H. Brunk  
Kimberly M. Callaway-Thompson  
Steven C. Doye  
Donald Johnston  
Drue Mielke  
Virginia Shelton  
Kai S. Swanson

Larry Burns  
Dewayne Cremeens  
Christine R. Filbert  
Edwin M. Langdon, Jr.  
Patrick Moreno  
Dr. Rodney K. Simmer  
Scott E. Terry  
J. Robert Westpfahl

**County Officials**

**County Administrator**

David Ross

**Circuit Clerk**

Tammy R. Weikert

**State's Attorney**

John L. McGehee

**County Auditor**

April Palmer

**Recorder**

Kelly Fisher

**Treasurer**

Louisa A. Ewert

**Regional Superintendent of Education**

Tammy Muerhoff

**County Clerk**

Karen Kinney

**Sheriff**

Gerald Bustos

**Coroner**

Brian Gustafson

**Professional Services**

*Underwriter*

Robert W. Baird & Co., Incorporated  
Naperville, Illinois

*Bond Counsel and Disclosure Counsel*

Chapman and Cutler LLP  
Chicago, Illinois

*Bond Registrar and Paying Agent*

Zions Bank, a division of ZB, National Association  
Chicago, Illinois

## OFFICIAL STATEMENT

### **The Rock Island County Public Building Commission Rock Island County, Illinois \$28,000,000 Public Building Revenue Bonds, Series 2016**

#### INTRODUCTION

The purpose of this Official Statement is to set forth certain information concerning The Rock Island County Public Building Commission, Rock Island County, Illinois (the “*Commission*”), in connection with the offering and sale of its Public Building Revenue Bonds, Series 2016 (the “*Bonds*”).

This Official Statement contains “forward-looking statements” that are based upon the Commission’s current expectations and its projections about future events. When used in this Official Statement, the words “project,” “estimate,” “intend,” “expect,” “scheduled,” “pro-forma” and similar words identify forward-looking statements. Forward-looking statements are subject to known and unknown risks, uncertainties and factors that are outside of the control of the Commission. Actual results could differ materially from those contemplated by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Neither the Commission nor any other party plans to issue any updates or revisions to these forward-looking statements based on future events.

#### THE BONDS

##### AUTHORITY AND PURPOSE

The Bonds are being issued pursuant to the Public Building Commission Act of the State of Illinois (the “*PBC Act*”), the Local Government Debt Reform Act of the State of Illinois (the “*Debt Reform Act*”), and all laws amendatory thereof and supplementary thereto, and a bond resolution adopted by the Board of Commissioners of the Commission (the “*Board*”) on the 18th day of February, 2016, as supplemented by a notification of sale (together, the “*Bond Resolution*”).

Proceeds of the Bonds will be used to (a) construct the Justice Center Annex Project (as hereinafter defined) and (b) pay costs associated with the issuance of the Bonds. See “THE COMMISSION AND THE PROJECT—The Project” herein.

##### GENERAL DESCRIPTION

The Bonds will be dated the date of issuance thereof, will be in fully registered form, without coupons, and will be in denominations of \$5,000 or any integral multiple thereof under a book-entry only system operated by The Depository Trust Company, New York, New York

(“DTC”). Principal of and interest on the Bonds will be payable by Zions Bank, a division of ZB, National Association, Chicago, Illinois (the “Registrar”).

The Bonds will mature as shown on the inside cover page hereof. Interest on the Bonds will be payable each June 1 and December 1, beginning December 1, 2016.

The Bonds will bear interest from their dated date, or from the most recent interest payment date to which interest has been paid or provided for, computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of the Bonds will be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal corporate trust office of the Registrar. Interest on each Bond will be paid by check or draft of the Registrar payable upon presentation in lawful money of the United States of America to the person in whose name such Bond is registered at the close of business on the 15th day of the month next preceding the interest payment date.

#### REGISTRATION AND TRANSFER

The Registrar will maintain books for the registration of ownership and transfer of the Bonds. Subject to the provisions of the Bonds as they relate to book-entry form, any Bond may be transferred upon the surrender thereof at the principal corporate trust office of the Registrar, together with an assignment duly executed by the registered owner or his or her attorney in such form as will be satisfactory to the Registrar. No service charge shall be made for any transfer or exchange of Bonds, but the Commission or the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

The Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 15th day of the month next preceding any interest payment date on such Bond and ending at the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

#### REDEMPTION

*Optional Redemption.* The Bonds due on or after December 1, 2027, are subject to redemption prior to maturity at the option of the Commission as a whole or in part in integral multiples of \$5,000 in any order of their maturity as determined by the Commission (less than all of the Bonds of a single maturity to be selected by the Registrar), on December 1, 2026, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

*Mandatory Sinking Fund Redemption.* The Bonds due on December 1 of the years 2036, 2041, 2045 are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Registrar, at a redemption price of par plus accrued interest to the redemption date, on December 1 of the years and in the principal amounts as follows:

FOR THE BONDS DUE DECEMBER 1, 2036

YEAR	PRINCIPAL AMOUNT
2032	\$ 975,000
2033	1,020,000
2034	1,075,000
2035	1,125,000
2036	1,180,000 (stated maturity)

FOR THE BONDS DUE DECEMBER 1, 2041

YEAR	PRINCIPAL AMOUNT
2037	\$1,240,000
2038	1,305,000
2039	1,370,000
2040	1,435,000
2041	1,510,000 (stated maturity)

FOR THE BONDS DUE DECEMBER 1, 2045

YEAR	PRINCIPAL AMOUNT
2042	\$1,585,000
2043	1,650,000
2044	1,715,000
2045	1,780,000 (stated maturity)

The principal amounts of Bonds to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such Bonds credited against future mandatory redemption requirements in such order of the mandatory redemption dates as the Commission may determine. In addition, on or prior to the 60th day preceding any mandatory redemption date, the Registrar may, and if directed by the Commission shall, purchase Bonds required to be retired on such mandatory redemption date. Any such Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the mandatory redemption required on such next mandatory redemption date.

*General.* The Commission will, at least 45 days prior to any redemption date (unless a shorter time period shall be satisfactory to the Registrar), notify the Registrar of such redemption date and of the principal amount and maturity or maturities of Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Registrar from the Bonds of such maturity by such method of lottery as the Registrar shall deem fair and appropriate (except when the Bonds are held in a book-entry system, in which case the selection

of Bonds to be redeemed will be made in accordance with procedures established by DTC or any other book-entry depository); *provided* that such lottery shall provide for the selection for redemption of Bonds or portions thereof in principal amounts of \$5,000 and integral multiples thereof.

Unless waived by any holder of Bonds to be redeemed, notice of the call for any redemption will be given by the Registrar on behalf of the Commission by mailing the redemption notice by first-class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the Bonds to be redeemed at the address shown on the Register or at such other address as is furnished in writing by such registered owner to the Registrar.

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed at the option of the Commission are received by the Registrar prior to the giving of such notice of redemption, such notice may, at the option of the Commission, state that said redemption will be conditional upon the receipt of such moneys by the Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice will be of no force and effect, the Commission will not redeem such Bonds, and the Registrar will give notice, in the same manner in which the notice of redemption has been given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the Commission will deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as described above and in the Bond Resolution, and notwithstanding failure to receive such notice, the Bonds or portions of Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Commission shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds will be paid by the Registrar at the redemption price.

#### SECURITY

The Bonds are payable on a parity with the Commission's outstanding Justice Center Revenue Refunding Bonds, Series 2009 (the "*Series 2009 Bonds*"), and Justice Center Revenue Refunding Bonds, Series 2012 (the "*Series 2012 Bonds*" and, together with the Series 2009 Bonds, the "*Prior Revenue Bonds*"), solely from the revenues to be derived from the operation, management and use of the Justice Center (as hereinafter defined), which revenues include payments received under the Amended Lease (as hereinafter defined) for the use and occupancy of the site on which the Justice Center and the improvements thereto are located, as further defined and described in the Amended Lease, duly authorized and entered into by and between the Commission and The County of Rock Island, Illinois (the "*County*"). The Commission has no power to levy taxes. The County Board of the County (the "*County Board*") adopted an ordinance on the 23rd day of February, 2016 (the "*County Board Ordinance*") providing for the levy and collection of direct annual taxes upon all taxable property in the County sufficient to

pay the annual rentals due under the Amended Lease. In the opinion of Chapman and Cutler LLP, Chicago, Illinois (*"Bond Counsel"*), all taxable property in the County is subject to the levy of taxes to pay the same without limitation as to rate or amount. The rights of the owners of the Bonds and the enforceability of the Bonds may, however, 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.

Additional information regarding the Amended Lease, the Bond Resolution and the County Board Ordinance are set forth in the following sections of this Official Statement.

### **THE AMENDED LEASE**

The following is a summary of certain provisions of the Amended Lease provided for the convenience of the reader and does not constitute a comprehensive discussion of the entirety of the Amended Lease. Reference is made to the Amended Lease for a complete description thereof. The discussion herein is qualified by such reference.

#### **GENERAL**

The Commission is duly organized under the provisions of the PBC Act for the purpose of exercising the powers and authority prescribed in the PBC Act and to provide for a good and sufficient jail for use in the County. Pursuant to such authority the Commission has selected, located and designated property located wholly within the County as the site on which to undertake the expansion and related improvements to the existing Rock Island County Jail and the construction of a new Criminal Justice Center (collectively, the *"Justice Center"* and the site on which the Justice Center is located, the *"Justice Center Site"*).

The Commission previously leased the Justice Center Site and all improvements thereon to the County pursuant to a lease agreement, dated July 1, 1998, as amended and supplemented by a First Supplement to Lease Agreement, dated as of July 1, 1999, a Second Supplement to Lease Agreement, dated as of April 1, 2005, a Third Supplement to Lease Agreement, dated as of October 30, 2009, and a Fourth Supplement to Lease Agreement, dated as of September 6, 2012 (collectively, the *"Original Lease"*).

The Commission has determined that, in order to provide a good and sufficient jail for use in the County, it is necessary to acquire, construct, improve, alter, equip, repair, maintain, operate and secure the Justice Center, including construction of the Justice Center annex project on the site previously approved by the Commission and the County (collectively, the *"Project"* and the site on which the Project is located, the *"Annex Site"* and the Annex Site together with the Justice Center Site, the *"Sites"*).

The Bonds are being issued for the purpose of financing a portion of the total cost of acquiring, constructing, improving, altering, equipping, repairing, maintaining, operating and securing the Justice Center, as applicable, including construction of the Project and the legal and

financing costs. To provide the necessary revenues for the payment of the Prior Revenue Bonds and the Bonds and to pay the costs of administration, operation and maintenance, the Commission and the County will supplement, amend and restate the Original Lease whereby the Commission will lease the Sites and all improvements thereon, including the Justice Center and the Project, to the County during the term and upon the rental provided in such lease (the “*Amended Lease*”).

The following sections describe the provisions of the Amended Lease.

*Certain Undertakings of the Commission.* The following actions, among others, will be taken by the Commission under the Amended Lease:

(1) The Commission will obtain fee simple title to the Sites, with provision for reverter of such title to the County.

(2) The Commission will provide for the authorization, sale, execution and delivery of the Bonds for the purpose of paying the costs of the Project, pursuant to the provisions of the Bond Resolution, and will apply the proceeds of the Bonds pursuant to the terms of the PBC Act and the Bond Resolution, and the Commission will, as soon as practicable, enter into and execute such contracts with the County as may be required to undertake the Project.

(3) If the amount of the proceeds of the Bonds set aside and made available under the terms of the Bond Resolution for the payment of the costs of the Project exceed the cost of the Project, the Commission will deposit the excess to the Bond and Interest Account (as hereinafter described) as described in the Bond Resolution.

(4) If the Commission determines that sufficient funds are not and will not be available to complete the Project, or any part thereof, and that in order to provide additional funds for such purpose it will be necessary to issue bonds on a parity with the Bonds (the “*Parity Bonds*”) and the County refuses or fails to enter into a supplemental lease providing for the increase of the annual rental payments provided for herein by an amount sufficient to amortize the principal and interest requirements of the Parity Bonds, then the Commission will cause the Project to be completed with such modifications and eliminations as may be required by such lack of funds, *provided, however*, that the terms and conditions of this Amended and Restated Lease, including the annual rental payments hereunder will remain in full force and effect and without any diminution thereof; *provided, further*, that in the event the Commission may determine that there is such a deficiency in funds, the County may, within thirty (30) days of the determination of such deficiency, pay to the Commission the amount of such deficiency, in which event the Project will be acquired and improved in accordance with the plans therefore

(5) The Commission will use its best efforts to complete the construction of the Project at the earliest possible date; failure, however, to complete the construction of the Project will not relieve the County of their obligation to pay the fixed annual rentals provided for herein.

(6) None of the proceeds of the Bonds will be expended other than with respect to the Project to be leased to the County hereunder.

*Rental Payments by the County Under the Amended Lease.* In the Amended Lease, the County covenants to pay to the Commission annual rental payments (the “*County Rents*”). The County Rents are set forth in the Amended Lease and are due to the Commission on or before November 1 of each of the years 2016 through 2045. The County, in its sole discretion, may pay in advance any portion of its annual rentals, in which event the Commission will credit the County with such advance payment or payments, and any and all advance payments to be made shall be held in the Revenue Fund maintained by the Bond Resolution and invested and be applied to the payment of the rent for the year or years for which the advance payment or payments was or were made, all in accordance with the terms of the Amended Lease and the Bond Resolution. Such advance payment provides the County with the authority necessary to abate the taxes levied for the payment of the County Rents by the amount of such payment. See “COUNTY BOARD ORDINANCE” below.

In the Amended Lease, the County represents and warrants that its obligation to make rental payments under the Amended Lease constitutes a general obligation for the payment of which its full faith and credit are pledged. The County provides in the County Board Ordinance for the levy and collection of a direct annual tax sufficient to pay the annual rents payable under the Amended Lease.

On December 15 of each year, the Commission will file with the County Clerk of the County (the “*County Clerk*”) a certificate stating the amount then held in the Surplus Account (as hereinafter defined) and available for application as a credit against the next rental payments due under the Amended Lease. The Commission agrees in the Amended Lease that this amount will be credited upon receipt by the Commission of a resolution of the County Board directing such application. Such direction is effective until the next ensuing December 1.

The County covenants and agrees in the Lease that it will save the Commission harmless and indemnified at all times against any loss, cost, damage or expense by reason of any accident, loss, casualty or damage resulting to any person or property through the use, misuse or nonuse of the Justice Center, or by reason of any act or thing done or not done on, in or about the Justice Center, or in relation thereto, or attributable to it, its agents, servants or employees. The County further covenants and agrees that it will promptly reimburse the Commission for any and all changes and alterations in and about the Justice Center, which, during the term of the Amended Lease, may be required to be made at any time by reason of a resolution of the County, or State or federal laws, and to save the Commission harmless and free from all costs or damage in respect thereto.

*Operation and Maintenance under the Amended Lease.* The Commission is solely responsible for the maintenance, operation, upkeep and safekeeping of the Justice Center, and will undertake the cost of such maintenance, operation, upkeep and safekeeping, all payable from the rentals due under the Amended Lease. The cost of operation and maintenance include, but not to the exclusion of other items not specified in the Amended Lease, lights, water, sewer, electricity, telephone services, heat, air conditioning, cooling, janitor, caretaking and custodial services including outside ground maintenance, and repairs to the interior and/or exterior, whether structural or non-structural and all premiums due or to become due on all of the insurance required to be maintained by the Commission under the Bond Resolution and in

accordance with the provisions of the Amended Lease. In addition, all insurance policies required by the Bond Resolution will name the County and the Commission as insured parties as their respective interests may appear. The amount of the rentals due under the Amended Lease include amounts for the operation and maintenance of the Justice Center.

If at any time the County Rents are insufficient to pay the costs of operating and maintaining the Justice Center and to maintain the funds created under the Bond Resolution in the amounts required therein, then, upon the demand of the Commission, the County has agreed that within thirty (30) days it shall promptly pay any such deficiencies to the Commission and the Commission shall apply such funds as provided in the Bond Resolution.

*Net Lease.* The Amended Lease provides that it is to be deemed and construed to be a net lease. The Amended Lease is absolute, unconditional and non-cancellable by the County during its term, and the County will pay to the Commission absolutely net throughout the term of the Amended Lease the rent and all other payments required under the Amended Lease, free of any deductions, without abatement, deduction or setoff for any reason or cause whatsoever, including, without limitation:

- (i) the failure, from whatsoever cause, to complete the Project, or the failure, from whatsoever cause of the Project, to comply in any respect or respects with the plans and specifications therefor;

- (ii) any damage to or destruction of the Justice Center, or any part thereof, or any delay, interruption or prevention from any cause whatsoever of the use or occupancy of the Justice Center, or any part thereof, and whether or not resulting from any act of god or the public enemy, or from any restriction or requirement of law, ordinance, rule or regulation of any public body or authority, State or federal, having jurisdiction in the premises (whether such restrictions or requirements relate to the use or occupancy of the Justice Center, or the quality, character, or condition of the Justice Center, or any part thereof, including the buildings, improvements, and equipment thereon or therein, or otherwise);

- (iii) any failure of or any defect in the Commission's title to the Justice Center, whether or not such failure or defect interferes with, prevents or renders burdensome the use or occupancy of the Justice Center, or any part thereof;

- (iv) any failure, in whole or in part, of the Commission to perform all or any of its other obligations, expressed or implied, to or for the benefit of the County, whether such obligations are provided for in the Amended Lease, result from operation of law, or are provided for in, or result from, some other contract or agreement at any time or from time to time entered into between the Commission and the County.

## THE BOND RESOLUTION

### GENERAL

As stated above, the Board has adopted the Bond Resolution which authorizes the Commission to amend the Original Lease and to enter into the Amended Lease. The following is a summary of certain provisions of the Bond Resolution. Such summary is provided for the convenience of the reader and does not purport to be comprehensive or definitive. All references herein to terms defined in the Bond Resolution are qualified in their entirety by definitions set forth in the Bond Resolution. Copies of the Bond Resolution are available from the Commission upon request.

### BONDS PAYABLE SOLELY FROM THE REVENUES; BONDS ARE NOT DEBT

The Bonds, together with the interest thereon, are payable solely from the Revenues, and the Bonds do not create a claim against the property of the Commission, and are not an indebtedness of the Commission or of any public body within the meaning of any constitutional or statutory limitation, and the Commission is not authorized to levy taxes to pay such principal or interest.

### ADDITIONAL BONDS

The Commission reserves the right to issue additional bonds from time to time payable from the Revenues (the “*Additional Bonds*”), and the Additional Bonds will share ratably and equally in the Revenues with the Bonds and any outstanding Prior Bonds, *provided* that the Additional Bonds shall be secured by a supplemental lease of the Justice Center, and, *provided further*, that no Additional bonds shall be issued except in accordance with the provisions of the PBC Act.

### CUSTODY AND APPLICATION OF REVENUES

*Custody of Revenues.* The Commission will operate on a fiscal year basis commencing on October 1 of each year and ending on September 30 of each succeeding year. The Revenues will be set aside as collected and kept separate and apart from all other Commission funds and be deposited in a separate fund designated as the “Building Project Revenue Fund of The Rock Island County Public Building Commission” (the “*Revenue Fund*”), which constitutes a trust fund and is irrevocably pledged under the Bond Resolution for the sole purpose of carrying out the covenants, terms and conditions of the Bond Resolution and the resolutions of the Board authorizing the Series 2009 Bonds (the “*Series 2009 Bond Resolution*”), the Series 2012 Bonds (the “*Series 2012 Bond Resolution*” and, together with the Series 2009 Bond Resolution, the “*Prior Bond Resolutions*”) and the Bond Resolution, and will be used and held for use only in paying the Cost of Operation and Maintenance (as defined below) required of the Commission pursuant to the Amended Lease, including all reserves therefor, paying the principal of and interest upon all revenue bonds of the Commission which by their terms are payable solely from the Revenues and for the maintenance of the respective accounts as described below. Payments

to be received by the Commission pursuant to the Amended Lease are considered Revenues on the date such payment was due regardless of the date such payment is actually received.

*Flow of Funds.* The Bond Resolution continues separate accounts in the Revenue Fund, designated severally as the “*Operation and Maintenance Account*,” “*Bond and Interest Account*” and “*Surplus Revenue Account*,” to which there will be credited in each fiscal year and as soon as may be, in the order in which said accounts are hereinabove mentioned, all moneys in the Revenue Fund, in accordance with the following provisions:

(a) *Operation and Maintenance Account.* There will first be credited to the Operation and Maintenance Account an amount sufficient to pay the Cost of Operation and Maintenance, to the extent required of the Commission under the terms of the Amended Lease or related maintenance service agreement for the then current fiscal year, *provided, however*, that the maximum amount to be credited to the Operation and Maintenance Account from the rent due under the Amended Lease for each fiscal year shall not exceed the difference between the total rent due for such fiscal year and the total principal and interest due on the Bonds, Prior Bonds and Additional Bonds in such fiscal year; *provided further, however*, these provisions will not prevent the Commission from carrying out any obligation imposed upon it by law, if the expenses of the Commission are increased thereby, and the amount specified in the Bond Resolution to be credited to said account may be increased by the amount of the additional rentals to be received for the purpose of fulfilling such obligation. “*Cost of Operation and Maintenance*” means and includes all salaries and wages of regular (or extra) employees in connection with the actual maintenance or operation of the Commission, also office and clerical employees, administrative management, legal and overhead expense, cost of all collections of Revenues, cost of all stationery and supplies, books, recording tapes, registration equipment, automotive equipment and similar equipment and supplies used in connection with the actual operation and maintenance of the Justice Center, bookkeeping and auditing costs, all fees and expenses incurred in compliance with the provisions of the Bond Resolution, of the Architect-Engineer (as defined in the Bond Resolution), the Independent Public Accountant (as defined in the Bond Resolution), cost of all publications and all other expenses for operation, maintenance, repairs, ordinary replacements, ordinary reconstruction and regulation of the Justice Center, and includes without limiting the generality of the foregoing, insurance premiums, legal and engineering expenses, fiscal fees, Bond Registrar fees and expenses for acting in any capacity in connection with the Bond Resolution, pension requirements, health and hospitalization insurance, all costs of registering bonds as to principal, and any other expenses required to be paid by the Commission, all to the extent properly and directly attributable to the operation and maintenance of the Justice Center.

(b) *Bond and Interest Account.* After crediting the required amount to the Operation and Maintenance Account, there will be credited to the Bond and Interest Account, the amount of principal and interest on the Bonds, Prior Bonds and Additional Bonds which will become due on December 1 of that fiscal year and the next succeeding June 1. All moneys in the Bond and Interest Account will be used only for the purpose of paying the principal of and interest on the Bonds, Prior Bonds and Additional Bonds as

the same become due, and funds sufficient to pay such maturing principal or interest, or both, together with related fees, will be forwarded to the Bond Registrar prior to each maturity date of such principal or interest, or both, *provided* that all Bond Registrar fees shall be charged as a Cost of Operation and Maintenance.

(c) *Surplus Revenue Account.* All moneys remaining in the Revenue Fund, after crediting the required amounts in each fiscal year to the accounts set forth in (a) and (b) above will be credited to the Surplus Revenue Account and will be used in the order and for the purposes as follows:

1. To complete the Project;
2. To credit the Bond and Interest Account in order to make up or prevent any deficiency therein;
3. To repair or replace any part of the Justice Center which may have been wholly or partially destroyed by accident or casualty;
4. To credit the Operation and Maintenance Account whenever such crediting may, in the opinion of the Commission, be desirable or necessary;
5. To retire Bonds, Prior Bonds or Additional Bonds in advance of maturity;

(d) Notwithstanding any of the foregoing provisions of the Bond Resolution, any of the money in any of the accounts, except the Operation and Maintenance Account, shall be used when and as often as needed to meet maturing interest on or principal of any of the Bonds, Prior Bonds and Additional Bonds.

#### MODIFICATION AND AMENDMENT

The Bond Resolution and the rights and obligations of the Commission and of the registered owners of the Bonds may be modified or amended at any time by a resolution adopted by the Commission with the written consent of the registered owners of sixty-six and two-thirds per cent (66-2/3%) of the principal amount of all of the Bonds, Prior Bonds and Additional Bonds then outstanding; provided that no such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter or impair the obligation of the Commission to pay the principal or interest at the time and place and at the rate and in the currency provided therein of any Bond, Prior Bonds or Additional Bonds, without the express consent of the registered owner of such Bond, Prior Bonds or Additional Bonds, nor permit the creation by the Commission of any mortgage or pledge or lien upon the Justice Center, or upon the Revenues held or pledged under the Bond Resolution, other than the lien and pledge created by the Bond Resolution or by future proceedings of the Board authorizing Additional Bonds, nor permit the creation of a preference or priority of any Bond over any other Bond, nor reduce the percentage of Bonds, Prior Bonds and Additional Bonds required for the written consent to an amendment or modification.

The Commission will establish from time to time and may vary from time to time rules and regulations as it shall deem proper for the authentication of Bondholders' consents by fiduciaries and other representatives and shall keep copies of such rules and regulations on file in the office of the Secretary.

Bonds owned or held by or for the account of the Commission will not be deemed outstanding for the purpose of any consent or other action or any calculation of outstanding Bonds for purposes described in this section and are not entitled to vote or consent or take any other action with respect to the purposes described in this section.

#### CERTAIN COVENANTS

*Covenant to Charge Sufficient Rates.* The Commission covenants and agrees with the registered owners of the Bonds in the Bond Resolution that so long as the Bonds or any of them remain outstanding and unpaid, either as to principal or interest, that rates, rentals, fees and charges for the use and service of the Justice Center or space therein shall be sufficient at all times to pay the Cost of Operation and Maintenance, to pay the interest on and principal of all bonds which by their terms are payable from the Revenues and authorized to be issued under the terms of the Bond Resolution, provide and maintain the accounts contained in the Bond Resolution and carry out the covenants of the Bond Resolution.

*Additional Covenants.* The Commission also expressly covenants and agrees with the registered owners of the Bonds as follows:

(a) The Commission will not sell, mortgage or otherwise dispose of or encumber the Justice Center until all of the Bonds, Prior Bonds and Additional Bonds have been paid in full or provision has been made for the payment thereof, *provided, however,* that Additional Bonds secured by a supplemental lease of the Justice Center may be issued by the Commission pursuant to further proceedings of the Board in accordance with the Act. The issuance of Additional Bonds by the Commission will in no way impair the obligations of the Commission to the owners of the Bonds. Said Additional bonds shall not be construed to be Bonds issued under the Bond Resolution.

(b) The Commission will at all times preserve and protect the security of the Bonds and the rights of the Bondholders under the Bond Resolution, and that it will at all times maintain, preserve and keep, or cause to be maintained, preserved and kept, the Justice Center, including all appurtenances thereto, in good repair, working order and condition, and will from time to time, make or cause to be made, all necessary and proper improvements so that at all times the business carried on in connection therewith may be properly and advantageously conducted in a manner consistent with prudent management

(c) That, so long as the Bonds or any of them remain outstanding and unpaid, either as to principal or interest, proper books and records and accounts will be kept and maintained by the Commission separate and apart from all other records and accounts of the Commission, showing correct and complete entries of all transactions relating to the Justice Center and the Commission, and that the registered owners of any of said Bonds

or any duly authorized agent or agents of such registered owners shall have the right at any and all reasonable times to inspect the records, accounts and books relating thereto, and to inspect the Justice Center and the Sites. The Commission further covenants and agrees that it will, within not more than one hundred eighty (180) days following the close of each fiscal year of the Commission, cause an audit of such books and accounts to be made by an Independent Public Accountant (as defined in the Bond Resolution), and that such audit will be available for inspection by the holders of any of the Bonds. Each such audit, in addition to whatever matters may be thought proper by the accountant to be included therein, will without limiting the generality of the foregoing, include: (i) A statement in detail of the income and expenditure of the Commission for such fiscal year; (ii) the accountant's comment regarding the method in which the Commission has carried out the requirements of this Resolution, and the accountant's recommendations for any changes or improvements therein; and (iii) a list of all the insurance policies in force at the end of the fiscal year, setting out as to each policy the amount of the policy, the risks covered, the name of the insurer and the expiration date of the policy. All expense incurred in the making of the audit required by this Section shall be regarded and paid as an Operation and Maintenance Expense.

(d) That all payments under the Amended Lease shall inure to the benefit of the registered owners of the Bonds and the Commission further agrees that it will properly enforce all obligations of the tenants of the Justice Center and will not make or consent to any change or modification of the Amended Lease which would reduce the rates, rentals, fees or charges of the tenants thereunder, extend the time for payment of rentals provided therein, nor permit any change in operation or occupancy which would reduce the required payments under the Amended Lease to the Commission.

(e) That the Commission will at all time retain a Bond Registrar with respect to the Bonds, that it will maintain at the designated office of such Bond Registrar a place or places where Bonds may be presented for payment or registration of transfer or exchange, and that it will require that the Bond Registrar properly maintain the Bond Register and perform the other duties and obligations imposed upon it by this Resolution in a manner consistent with the standards, customs and practices of the municipal securities industry. The Commission may remove the Bond Registrar at any time. In case at any time the Bond Registrar resigns, is removed, becomes incapable of acting, or is adjudged as bankrupt or insolvent, or if a receiver, liquidator or conservator of the Bond Registrar, or of the property thereof, is appointed, or if any public officer takes charge or control of the Bond Registrar, or of the property or affairs thereof, the Commission covenants and agrees that it will thereupon appoint a successor Bond Registrar. The Commission will mail notice of any such appointment made by it to each registered owner of any Bond within twenty (20) days after such appointment. Any Bond Registrar so appointed will be a bank, trust company or national banking association.

#### REMEDIES OF BONDHOLDERS

Any registered owners of a Bond or Bonds issued under the provisions of the Bond Resolution may either in law or in equity, by suit, action, mandamus or other proceedings,

enforce or compel the performance of all duties required by the Bond Resolution or the PBC Act, including the making and collecting of rentals, fees and other charges for the use of the Justice Center as will be sufficient for all purposes provided by the Bond Resolution and the application of the income and revenue therefrom.

#### **BONDS NO LONGER OUTSTANDING; DEFEASANCE**

When all of the Bonds and all interest thereon has been paid and discharged, then the requirements contained in the Bond Resolution and the pledge of the Revenues and all other rights will cease and determine. Bonds will be deemed to have been paid and discharged within the meaning of the Bond Resolution if there is deposited in accordance with law with a bank located in the State of Illinois and having full trust powers at or prior to the maturity or redemption date of the Bonds, in trust for and irrevocably appropriated thereto, moneys and/or direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America which, together with the interest to be earned on such investments, will be sufficient for the payment of the principal of the Bonds, and interest accrued to the date of maturity or if default on such payment shall have accrued on such date, then to the date of the tender of such payments. Any moneys and obligations which at any time are deposited with said bank by or on behalf of the Commission, for the purpose of paying and discharging any of the Bonds, will be and are by the Bond Resolution assigned, transferred and set over to such bank in trust for the respective holders of the Bonds, and such moneys will be and are under the Bond Resolution irrevocably appropriated to the payment and discharge thereof. All moneys deposited with said bank will be deemed to be deposited in accordance with and subject to all of the provisions contained in the Bond Resolution.

#### **THE COUNTY BOARD ORDINANCE**

As described in “THE BONDS—Security” above, the County Board Ordinance authorizes the County to enter into the Amended Lease and provides for the levy and collection of a direct annual tax upon all taxable property in the County sufficient to pay the annual rentals due under the Amended Lease. The County Board Ordinance will be filed, together with a certified copy of the Amended Lease, in the office of the County Clerk, who is thereby empowered and directed without further action by the County to extend the taxes necessary in each year in order to produce a new amount sufficient to pay the rentals in advance during the term of the Amended Lease. The PBC Act specifically provides that such taxes shall not be subject to any statutory limitation as to rate for any municipality, but shall be in addition to and in excess of all other rates.

The County Board Ordinance further provides for the abatement of such taxes prior to the extension thereof to the extent of any funds paid to the Commission as advance rent pursuant to the Amended Lease. See “THE AMENDED LEASE” above.

Funds realized from the tax levy for rent shall be transmitted to the Commission by November 1 of each year for the payment of such annual rents and shall not be disbursed for any other purpose. The PBC Act authorizes the County to pay additional annual amounts for

maintenance and operation, if needed, and to include the same in their annual appropriation proceedings.

## SOURCES AND USES

The sources and uses of funds resulting from the Bonds are shown below:

### SOURCES:

Principal Amount	\$28,000,000.00
Net Original Issue Premium	<u>2,064,547.50</u>
Total Sources	<u>\$30,064,547.50</u>

### USES:

Deposit to Project Fund	\$29,447,162.49
Costs of Issuance*	<u>617,385.01</u>
Total Uses	<u>\$30,064,547.50</u>

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\* Includes underwriter's discount and other issuance costs.

## BOND INSURANCE

### BOND INSURANCE POLICY

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Bonds (the "*Policy*"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy attached as APPENDIX C to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

### ASSURED GUARANTY MUNICIPAL CORP.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by S&P, "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A2" (stable outlook) by Moody's Investors

Service, Inc. (“Moody’s”). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM’s long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

#### *Current Financial Strength Ratings*

On June 29, 2015, S&P issued a credit rating report in which it affirmed AGM’s financial strength rating of “AA” (Stable Outlook). AGM can give no assurance as to any further ratings that S&P may take.

On November 13, 2014, KBRA assigned an insurance financial strength rating of “AA+” (stable outlook) to AGM. AGM can give no assurance as to any further ratings action that KBRA may take.

On July 2, 2014, Moody’s issued a rating action report stating that it had affirmed AGM’s insurance financial strength rating of “A2” (stable outlook). On February 18, 2015, Moody’s published a credit opinion under its new financial guarantor ratings methodology maintaining its existing rating and outlook on AGM. AGM can give no assurance as to any further ratings action that Moody’s may take.

For more information regarding AGM’s financial strength ratings and the risks relating thereto, see AGL’s Annual Report on Form 10-K for the fiscal year ended December 31, 2014.

#### *Capitalization of AGM*

As of September 30, 2015, AGM’s policyholders’ surplus and contingency reserve were approximately \$3,769 million and its net unearned premium reserve was approximately \$1,603 million. Such amounts represent the combined surplus, contingency reserve and net unearned premium reserve of AGM, AGM’s wholly owned subsidiary Assured Guaranty (Europe) Ltd. and 60.7% of AGM’s indirect subsidiary Municipal Assurance Corp.; each amount of surplus, contingency reserve and net unearned premium reserve for each company was determined in accordance with statutory accounting principles.

### *Incorporation of Certain Documents by Reference*

Portions of the following document filed by AGL with the Commission that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(a) the Annual Report on Form 10-K for the fiscal year ended December 31, 2014 (filed by AGL with the Commission on February 26, 2015);

(b) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2015 (filed by AGL with the SEC on May 8, 2015);

(c) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2015 (filed by AGL with the SEC on August 6, 2015); and

(d) the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015 (filed by AGL with the SEC on November 6, 2015).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the Commission pursuant to Section 13(a) or 15(d) of the Exchange Act, excluding Current Reports or portions thereof “furnished” under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the Commission’s website at <http://www.sec.gov>, at AGL’s website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Municipal Corp.: 31 West 52nd Street, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL’s website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption “BOND INSURANCE – Assured Guaranty Municipal Corp.” or included in a document incorporated by reference herein (collectively, the “AGM Information”) shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

### *Miscellaneous Matters*

AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than

with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading “BOND INSURANCE”.

## **RISK FACTORS**

The purchase of the Bonds involves certain investment risks. Accordingly, each prospective purchaser of the Bonds should make an independent evaluation of the entirety of the information presented in this Official Statement and its appendices and exhibits in order to make an informed investment decision. Certain of the investment risks are described below. The following statements, however, should not be considered a complete description of all risks to be considered in the decision to purchase the Bonds, nor should the order of the presentation of such risks be construed to reflect the relative importance of the various risks. There can be no assurance that other risk factors are not material or will not become material in the future.

### **FINANCES OF THE STATE OF ILLINOIS**

The State has experienced adverse fiscal conditions resulting in significant shortfalls between the State’s general fund revenues and spending demands. In addition, the underfunding of the State’s pension systems has contributed to the State’s poor financial health. Budget problems of the State may result in decreased or delayed State appropriations to the County.

### **LOCAL ECONOMY**

The financial health of the County is in part dependent on the strength of the local economy. Many factors affect the local economy, including rates of employment and economic growth and the level of residential and commercial development. It is not possible to predict to what extent any changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur and what impact such changes would have on the finances of the County.

### **LOSS OR CHANGE OF BOND RATING**

The Bonds have received credit ratings from Moody’s and S&P. The ratings can be changed or withdrawn at any time for reasons both under and outside the Commission’s or the County’s control. Any change, withdrawal or combination thereof could adversely affect the ability of investors to sell the Bonds or may affect the price at which they can be sold.

### **SECONDARY MARKET FOR THE BONDS**

No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The Underwriter is not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof.

Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

#### CONTINUING DISCLOSURE

A failure by the Commission or the County to comply with the Undertaking for continuing disclosure (see “CONTINUING DISCLOSURE” herein) will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission (the “Commission”) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and may adversely affect the transferability and liquidity of the Bonds and their market price.

#### SUITABILITY OF INVESTMENT

The interest rate borne by the Bonds is intended to compensate the investor for assuming the risk of investing in the Bonds. Furthermore, the tax-exempt feature of the Bonds is currently more valuable to high tax bracket investors than to investors that are in low tax brackets. As such, the value of the interest compensation to any particular investor will vary with individual tax rates and circumstances. Each prospective investor should carefully examine the Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

#### FUTURE CHANGES IN LAWS

Various state and federal laws, regulations and constitutional provisions apply to the Commission, the County and to the Bonds. Neither the Commission nor the County can give no assurance that there will not be a change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the Commission or the County, or the taxing authority of the County. For example, many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the State may affect the overall financial conditions of the Commission or the County, the taxable value of property within the Commission or the County, and the ability of the County to levy property taxes or collect revenues for its ongoing operations.

#### FACTORS RELATING TO TAX EXEMPTION

As discussed under “TAX EXEMPTION” herein, interest on the Bonds could become includible in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the Commission or the County in violation of its covenants in the Bond Resolution. Should such an event of taxability occur, the Bonds are not subject to any special redemption.

There are or may be pending in the Congress of the United States legislative proposals relating to the federal tax treatment of interest on the Bonds, including some that carry retroactive effective dates, that, if enacted, could affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to Bonds issued prior to enactment. Finally, reduction or elimination of the tax-exempt status of obligations such as the Bonds could have an adverse effect on the Commission's or the County's ability to access the capital markets to finance future capital or operational needs by reducing market demand for such obligations or materially increasing borrowing costs of the Commission or the County.

The tax-exempt bond office of the Internal Revenue Service (the "*Service*") is conducting audits of tax-exempt bonds, both compliance checks and full audits, with increasing frequency to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for Federal income tax purposes. It cannot be predicted whether the Service will commence any such audit. If an audit is commenced, under current procedures the Service may treat the Commission as a taxpayer and the Bondholders may have no right to participate in such proceeding. The commencement of an audit with respect to any tax-exempt obligations of the Commission could adversely affect the market value and liquidity of the Bonds, regardless of the ultimate outcome.

#### BANKRUPTCY

The rights and remedies of the Bondholders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The various opinions of counsel to be delivered with respect to the Bonds will be similarly qualified.

### **THE COMMISSION AND THE PROJECT**

#### GENERAL DESCRIPTION

The Commission is a municipal corporation and body politic created under the PBC Act. The rights, powers and duties of the Commission are carried out by the Board. The Commission was created on October 1, 1981, by a resolution of the County Board. The Commission was organized "to provide a good and sufficient jail for the use of Rock Island County" (the "*Commission Purpose*"). The Commission is governed by the five-member Board which is appointed by the County.

The Commission has the power of eminent domain and the right and duty to operate, maintain and manage its buildings, and provide rules and regulations therefore. Any building may be leased to any municipal corporation or to any agency of the State or Federal Government. Unused space not needed by such governmental units may be leased to others.

The Commission is specifically authorized to borrow money from time to time and as evidence thereof, to issue and sell its revenue bonds to provide funds for its purposes and other expenses including interest during the period of construction and architectural engineering, legal and financial expenses. It has the power to refund its bonds as often as may be deemed to be advantageous.

#### BOARD OF COMMISSIONERS

OFFICIAL	POSITION
Leroy Peterson	Commissioner
Patrick Wendt	Commissioner
Tom McCune	Commissioner
Craig Kavensky	Commissioner
Richard Fisher	Commissioner

#### USE OF PROCEEDS

The Proceeds derived from the sale of the Bonds will be deposited with the Treasurer of the Commission in to the “2016 Project Fund” created under the Bond Resolution. The proceeds of the Bonds will be kept separate and apart from all other funds of the Commission and will be held to pay the costs of acquiring a site for, and constructing on, an annex to the County’s Justice Center to be used as a courthouse for the County (the “*Justice Center Annex Project*”). The Justice Center Annex Project is being funded solely with the proceeds of the Bonds. The Commission expects to complete the Justice Center Annex Project by August 2019.

After all costs have been paid in connection with the Project, any surplus remaining in the Project Fund shall be transferred to the Surplus Revenue Account described in the Bond Resolution.

#### AUTHORITY FOR THE JUSTICE CENTER ANNEX PROJECT

As described under “—General Description” above, the purpose of the Commission is to complete the Commission Purpose. On June 17, 2015, the Commission adopted a resolution (the “*Initial Resolution*”) approving the acquisition and lease of the site to be used for the Justice Center Annex Project. On October 9, 2015, a quo warranto action was filed in the Fourteenth Judicial Circuit Court (the “*Circuit Court*”) challenging the authority of the Commission to construct the Justice Center Annex Project on the grounds that (i) the construction of the Justice Center Annex Project exceeded the authority of the Commission because it did not conform with the Commission Purpose and (ii) the Commission had not successfully submitted the expansion of its authority to include the construction of the Justice Center Annex Project to the voters of the County at a referendum as required by the PBC Act. On December 30, 2015, the Circuit Court ruled that the Justice Center Annex Project is within the authority of the Board and for a purpose included within the Commission Purposes.

## FINANCIAL INFORMATION - THE COMMISSION

The Commission does not have the power to levy taxes. See “FINANCIAL INFORMATION - THE COUNTY” below for information regarding the taxes levied by the County to pay the County Rents due under the Amended Lease.

### REVENUE BONDS (PRINCIPAL ONLY)

CALENDAR YEAR	SERIES 2009 BONDS <sup>(1)</sup> (DECEMBER 1)	SERIES 2012 BONDS <sup>(2)</sup> (DECEMBER 1)	PLUS: THE BONDS (DECEMBER 1)	TOTAL OUTSTANDING BONDS
2016	\$ 65,000	\$ 790,000		\$ 855,000
2017	70,000	805,000		875,000
2018	75,000	820,000		895,000
2019		900,000		900,000
2020			\$ 605,000	\$ 605,000
2021			625,000	625,000
2022			645,000	645,000
2023			670,000	670,000
2024			695,000	695,000
2025			730,000	730,000
2026			770,000	770,000
2027			805,000	805,000
2028			830,000	830,000
2029			855,000	855,000
2030			880,000	880,000
2031			925,000	925,000
2032			975,000 <sup>(3)</sup>	975,000
2033			1,020,000 <sup>(3)</sup>	1,020,000
2034			1,075,000 <sup>(3)</sup>	1,075,000
2035			1,125,000 <sup>(3)</sup>	1,125,000
2036			1,180,000	1,180,000
2037			1,240,000 <sup>(3)</sup>	1,240,000
2038			1,305,000 <sup>(3)</sup>	1,305,000
2039			1,370,000 <sup>(3)</sup>	1,370,000
2040			1,435,000 <sup>(3)</sup>	1,435,000
2041			1,510,000	1,510,000
2042			1,585,000 <sup>(3)</sup>	1,585,000
2043			1,650,000 <sup>(3)</sup>	1,650,000
2044			1,715,000 <sup>(3)</sup>	1,715,000
2045			1,780,000	1,780,000
TOTAL	\$210,000	\$3,315,000	\$28,000,000	\$31,525,000

(1) Justice Center Revenue Refunding Bonds, Series 2009

(2) Justice Center Revenue Refunding Bonds, Series 2012.

## SELECTED FINANCIAL INFORMATION

2014 Estimated Full Value of Taxable Property:	\$7,078,704,873
2014 Equalized Assessed Valuation of Taxable Property:	\$2,359,568,291
Population Estimate	146,964
Outstanding Revenue Bonds:	\$ 31,525,000
Borrowing Limitation (5.00% of EAV):	\$ 117,978,415
Percentage of Borrowing Limitation:	26.72%
Percentage of Revenue Bonds to Full Value of Taxable Property:	0.45%
Percentage of Revenue Bonds to Equalized Assessed Valuation:	1.34%
Revenue Bonds Per Capita:	\$ 214.51

## THE COUNTY

### GENERAL DESCRIPTION

The County was incorporated on February 9, 1831, under the provisions of the laws of the State of Illinois. The County operates under a Chairman/County Board form of government and provides services to the public such as public safety and judicial system, health and social services, road construction and maintenance, planning and zoning, maintenance and operation of nursing home facilities and general administrative services. The County is governed by 25 elected members who make up the County Board (see table below). The County Board sets budgets and policies for departments that serve the entire County.

The County is located in northwestern Illinois along the Mississippi River on the Illinois-Iowa border between Chicago and Des Moines. The County consists of approximately 450 square miles (nearly 24 square miles being water) with a mix of residential, commercial and agricultural properties. The County has 18 townships and 15 incorporated cities and villages. The City of Rock Island is the County seat.

The County is one of four counties that make up the Quad Cities Metropolitan Statistical Area (“*Quad Cities MSA*”). The Quad Cities MSA has approximately 360,000 residents and is comprised primarily of the County and Scott County, Iowa. The largest cities in the Quad Cities MSA include the Cities of Rock Island and Moline, Illinois and Davenport and Bettendorf, Iowa.

The transportation needs of the County are met by interstates 74, 80, 88 and 280, U.S. Route 67 and Illinois Routes 92, 94 and 192. Commercial air transportation is available at the Quad City International Airport which offers more than 50 flights per day from four airlines serving 10 nonstop hub or connecting cities. The County is bordered on the east by the Rock River and on the west by the Mississippi River.

## COUNTY FINANCES

The County's General Fund expenditures exceeded its General Fund revenues in each of the fiscal years ended April 30, 2010 through April 30, 2014, which resulted in a decline in the County's General Fund balance from approximately \$6.5 million to approximately \$4.4 million during such time period. Such declines were due in part to declines in revenues received from the State, increases in costs of the County's operations, including salaries and associated costs, without additional revenues to offset these increased costs, and revenues received from fees and services being less than expected. In addition, the County was not reimbursed by the Hope Creek Care Center (the "*Center*") as expected due to the Center's separate financial difficulties.

The County has undertaken a variety of initiatives to improve its General Fund performance and cash flow. In 2015, after a national search, the County hired David Ross to serve as its County Administrator. Mr. Ross was hired in order to provide financial management expertise and to strengthen the County's financial operations. In addition, the County Board adopted a 16.8% property tax increase in November 2015, which is expected to generate an additional \$3.7 million in revenues for the County and is expected to be used primarily to fund the County's pension costs. Finally, the County made significant reductions in its costs.

For the fiscal year ended November 30, 2015, the County's General Fund balance increased by approximately \$74,000 despite a projected budget deficit of \$1.3 million for such fiscal year. For the current fiscal year, the County has budgeted for a \$2.8 million deficit. However, the County is currently implementing measures to reduce costs (including staff layoffs) and increase revenues (including advertising on the County's website) which it expects will reduce the size of such deficit during the year. The County expects to have a balanced budget for the fiscal year ending November 30, 2017, which would be achieved through a combination of spending cuts and additional revenues generated through an increase in the County's sales tax, if approved by voters at referendum, a property tax increase or other sources.

## COUNTY OFFICIALS

OFFICIAL	TITLE
David Ross	County Administrator
April Palmer	County Auditor
Karen Kinney	County Clerk
Tammy Weikert	Circuit Clerk
Kelly Fisher	Recorder
Gerald Bustos	Sheriff
John McGehee	State's Attorney
Louisa Ewert	Treasurer
Brian Gustafson	Coroner
Tammy Muerhoff	Regional Superintendent of Schools

## COUNTY BOARD

OFFICIAL	POSITION	TERM EXPIRES
Ken Maranda	Chairman	2018
Nick Camlin	Vice-Chairman	2018
Steven Ballard	Member	2016
Richard H. Brunk	Member	2016
Larry Burns	Member	2018
Michael Burns	Member	2018
Kimberly M. Callaway-Thompson	Member	2018
Dewayne Cremeens	Member	2018
Jeff Deppe	Member	2016
Steven C. Doye	Member	2016
Christine R. Filbert	Member	2016
Donald L. Jacobs	Member	2016
Donald Johnston	Member	2018
Edwin M. Langdon, Jr.	Member	2016
Mia D. Mayberry	Member	2016
Drue Mielke	Member	2018
Patrick Moreno	Member	2018
Ron Oelke	Member	2016
Virginia Shelton	Member	2018
Dr. Rodney K. Simmer	Member	2018
Michael Steffen	Member	2018
Kai S. Swanson	Member	2016
Scott E. Terry	Member	2018
Brian D. Vyncke	Member	2016
J. Robert Westpfahl	Member	2018

## POPULATION DATA

The U.S. Census Bureau, in its 2010-2014 American Community Survey, estimates that the County's current population is approximately 146,964. The estimated populations of the Commission, Rock Island County, and the State at the times of the last three U.S. Census surveys were as follows:

NAME OF ENTITY	1990	2000	2010	% CHANGE 2000/2010
City of East Moline	20,147	20,333	21,302	4.77%
City of Moline	43,202	43,768	43,483	-0.65%
City of Rock Island	40,630	39,684	39,018	-1.68%
County of Rock Island	148,723	149,374	147,546	-1.22%
State of Illinois	11,430,602	12,419,293	12,830,632	3.31%

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Source: U.S. Census Bureau.

# FINANCIAL INFORMATION - THE COUNTY

## ALTERNATE REVENUE BONDS (PRINCIPAL ONLY)

CALENDAR YEAR	SERIES 2006 BONDS <sup>(1)</sup> (DECEMBER 1)	SERIES 2007 BONDS <sup>(2)</sup> (DECEMBER 1)	SERIES 2013 BONDS <sup>(3)</sup> (DECEMBER 1)	TOTAL ALTERNATE REVENUE BONDS
2016	\$ 510,000	\$ 475,000	\$ 45,000	\$1,030,000
2017	530,000	500,000	45,000	1,075,000
2018	550,000	525,000	45,000	1,120,000
2019	570,000	540,000	50,000	1,160,000
2020			1,215,000	1,215,000
2021		600,000	640,000	1,240,000
2022	640,000	630,000	15,000	1,285,000
2023	665,000	650,000	15,000	1,330,000
2024	695,000		715,000	1,410,000
2025	725,000		730,000	1,455,000
2026	750,000	750,000		1,500,000
2027		1,550,000		1,550,000
TOTAL	\$5,635,000	\$6,220,000	\$3,515,000	\$15,370,000

(1) General Obligation Bonds (Alternate Revenue Source), Series 2006.

(2) General Obligation Bonds (Alternate Revenue Source), Series 2009.

(3) General Obligation Refunding Bonds (Alternate Revenue Source), Series 2013

# SELECTED FINANCIAL INFORMATION

2014 Estimated Full Value of Taxable Property:	\$7,078,704,873
2014 Equalized Assessed Valuation of Taxable Property:	\$2,359,568,291
Population Estimate	146,964
General Obligation Bonded Debt:	\$ 0 <sup>(1)</sup>
Other Direct General Obligation Debt:	\$ 0
Total Direct General Obligation Debt:	\$ 0
Percentage to Full Value of Taxable Property:	0.00%
Percentage to EAV:	0.00%
Debt Limit (2.875% of EAV):	\$ 67,837,588
Percentage of Debt Limit:	0.00%
Per Capita:	\$ 0
General Obligation Bonded Debt:	\$ 0 <sup>(1)</sup>
Overlapping General Obligation Bonded Debt:	\$ 232,922,494
General Obligation Bonded Debt and Overlapping General Obligation Bonded Debt:	\$ 232,922,494
Percentage to Full Value of Taxable Property:	3.32%
Percentage to EAV:	9.96%
Per Capita:	\$ 1,598.50

(1) Does not include Alternate Revenue Bonds which, under the Debt Reform Act, do not constitute debt of the County.

OVERLAPPING GENERAL OBLIGATION BONDED DEBT  
(As of January 27, 2016)

TAXING BODY	OUTSTANDING DEBT <sup>(1)</sup>	APPLICABLE TO COUNTY	
		PERCENT	AMOUNT
Rock Island Forest Preserve District	\$ 0	100.000%	\$ 0
Metropolitan Airport Authority	0	100.000%	0
Illini Hospital (Ambulance)	6,375,000	87.240%	5,561,550
Village of Andalusia	515,000	100.000%	515,000
Village of Coal Valley	0	89.660%	0
City of East Moline	0	100.000%	0
City of Hampton	0	100.000%	0
Village of Milan	0	100.000%	0
City of Moline	63,135,000	100.000%	63,135,000
City of Rock Island	66,735,000	100.000%	66,735,000
City of Silvis	0	100.000%	0
Coal Valley Fire Protection District	510,000	0.870%	4,437
Carbon Cliff Special Service Area Number 5	125,000	100.000%	125,000
Rock Island Special Service Area Number 3	1,440,000	100.000%	1,440,000
Silvis Special Service Area Number 1	910,000	100.000%	910,000
School District Number 29	605,000	100.000%	605,000
United Township High School District Number 30	1,010,000	92.271%	931,932
School District Number 34	3,480,000	100.000%	3,480,000
School District Number 36	710,000	100.000%	710,000
School District Number 37	9,220,000	100.000%	9,220,000
School District Number 40	16,005,000	100.000%	16,005,000
School District Number 41	39,950,000	100.000%	39,950,000
Community Unit School District Number 100	2,820,000	100.000%	2,820,000
School District Number 190	105,000	0.107%	112
Community Unit School District Number 200	6,344,896	31.212%	1,980,339
Community Unit School District Number 223	3,940,000	7.728%	304,483
Community Unit School District Number 300	9,740,000	98.135%	9,558,311
Community College District No. 503	26,580,000	41.126%	<u>10,931,329</u>
TOTAL OVERLAPPING BONDED DEBT			\$234,922,494

Source: Overlap percentages were derived from information provided by the Rock Island County Clerk's Office. Information regarding outstanding debt was obtained from publicly available sources, including EMMA (as hereinafter defined) and the audits of such taxing bodies.

(1) Percentages based on 2014 EAVs, the most recent available.

(2) Excludes the following amounts of alternate revenue bonded debt: Rock Island Forest - \$20,725,000; Metropolitan Airport - \$3,510,000; Village of Coal Valley - \$1,135,000; City of East Moline - \$23,345,000; City of Hampton - \$170,000; Village of Milan - \$9,660,000; City of Rock Island - \$6,845,000; City of Silvis - \$8,570,000; School District Number 190 - \$390,000; and School District Number 223 - \$3,345,000..

## COMPOSITION OF EAV

	2010	2011	2012	2013	2014
<b>By Property Type</b>					
Residential	\$1,522,979,644	\$1,518,414,474	\$1,500,224,006	\$1,463,650,386	\$1,464,314,283
Farm	77,704,164	82,143,621	85,206,775	89,212,897	93,189,319
Commercial	495,867,373	505,364,164	492,449,856	493,937,764	489,807,031
Industrial	274,146,857	284,487,445	290,733,885	298,876,742	300,683,523
Railroad	<u>6,049,350</u>	<u>7,280,752</u>	<u>9,365,973</u>	<u>10,624,126</u>	<u>11,574,135</u>
Total EAV*	\$2,376,747,388	\$2,397,690,456	\$2,377,980,495	\$2,356,301,915	\$2,359,568,291

Source: Rock Island County Clerk's Office.

\* Does not include TIF EAV in the amount of \$178,253,847 and Enterprise Zone EAV in the amount of \$2,466,802.

## TREND OF EAV

LEVY YEAR	EQUALIZED ASSESSED VALUATION	% CHANGE IN EAV FROM PREVIOUS YEAR
2010	\$2,376,747,388	4.31% <sup>(1)</sup>
2011	2,397,690,456	0.88%
2012	2,377,980,495	-0.82%
2013	2,356,301,915	-0.91%
2014	2,359,568,291	0.14%

Source: Rock Island County Clerk's Office.

Note: Does not include TIF Increment.

Note: The County expects that it's EAV will increase by approximately 1.57% for levy year 2015.

(1) Based on the County's \$2,278,568,190 2009 EAV.

## TAXES EXTENDED AND COLLECTED

TAX LEVY YEAR/ COLLECTION YEAR	TAXES EXTENDED	TAXES COLLECTED AND DISTRIBUTED	PERCENT COLLECTED
2010/11	\$18,139,336	\$18,276,082	100.75%
2011/12	18,558,124	18,708,221	100.81%
2012/13	18,781,290	18,873,442	100.49%
2013/14	21,291,544	21,558,810	101.26%
2014/15	22,194,099	22,365,660	100.77%

Source: Rock Island County Treasurer's and County Clerk's Offices.

## COUNTY TAX RATES BY PURPOSE 2010-2014

(Per \$100 EAV)

PURPOSE	2010	2011	2012	2013	2014	MAXIMUM RATE <sup>(1)</sup>
Corporate Fund	\$0.2500	\$0.2482	\$0.2500	\$0.2500	\$0.2492	\$0.2500
County Highway Fund	0.0426	0.0422	0.0448	0.0536	0.0564	0.1000
Bridge Fund	0.0070	0.0068	0.0070	0.0214	0.0226	0.0500
Bond and Interest Fund	0.0670	0.0624	0.0628	0.0648	0.0606	None
Mental Health Fund	0.0590	0.0584	0.0590	0.0616	0.0698	0.1500
IMRF	0.0926	0.1052	0.1178	0.1402	0.1524	None
County Health Fund	0.0300	0.0298	0.0300	0.0378	0.0506	0.0750
Liability Fund	0.0358	0.0418	0.0380	0.0914	0.0974	None
Social Security Fund	0.0526	0.0538	0.0538	0.0552	0.0586	None
Veteran's Assistance Fund	0.0192	0.0190	0.0192	0.0150	0.0150	0.0300
Extension Education Fund	0.0096	0.0094	0.0096	0.0096	0.0096	0.0200
Nursing Home Fund	0.0948	0.0940	0.0948	0.1000	0.0954	0.1000
Chicago Advocacy	<u>0.0030</u>	<u>0.0030</u>	<u>0.0030</u>	<u>0.0030</u>	<u>0.0030</u>	0.0040
Total	\$0.7632	\$0.7740	\$0.7898	\$0.9036	\$0.9406	

Source: Rock Island County Clerk's Office.

(1) "REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES—Property Tax Extension Limitation Law" herein for information on the operation of such maximum rates.

## 2010-2014 REPRESENTATIVE TOTAL TAX RATES

(Per \$100 EAV)

TAXING AUTHORITY	2010	2011	2012	2013	2014
The County	\$0.7632	\$0.7740	\$0.7898	\$0.9036	\$0.9406
Rock Island Forest Preserve District	0.0942	0.0944	0.0974	0.1148	0.1190
Metropolitan Airport Authority	0.0734	0.0750	0.0750	0.0750	0.0750
Metropolitan Transit Authority	0.1822	0.1872	0.1948	0.2054	0.2082
South Moline Township	0.1420	0.1318	0.1358	0.1304	0.1244
South Moline Township Road and Bridge	0.0077	0.0085	0.0093	0.0105	0.0112
City of Moline - Road and Bridge	0.0043	0.0043	0.0047	0.0047	0.0048
South Moline Township Cemetery	0.0038	0.0038	0.0038	0.0040	0.0040
City of Moline	1.9324	1.9744	2.0268	2.0500	2.0638
School District Number 40	5.0584	5.0600	5.0590	5.1090	5.1120
Community College District No. 503	<u>0.5324</u>	<u>0.5369</u>	<u>0.5403</u>	<u>0.5427</u>	<u>0.5485</u>
TOTAL*	\$8.7940	\$8.8503	\$8.9367	\$9.1501	\$9.2115

Source: Rock Island County Clerk's Office.

\*The total of such rates is the property tax rate paid by a typical resident living in the largest tax code in the Commission.

# TEN LARGEST TAXPAYERS

TAXPAYER NAME	2014 EQUALIZED ASSESSED VALUE	PERCENT OF COUNTY'S TOTAL EAV
Exelon/True Partners LLC	\$155,000,000	6.57%
Deere & Co./Tax Dept.	29,061,366	1.23%
DNC Gaming & Entertainment	22,000,375	0.93%
Macerich South Park Mall	9,671,831	0.41%
Modern Woodmen of America	7,692,555	0.33%
Minnesota Mining & Mfg. Co.	6,147,403	0.26%
FedEx Freight Inc./RKI470	4,974,353	0.21%
Wal-Mart Stores, Inc.	4,846,019	0.21%
PFG Thoms Proestler Co.	4,640,955	0.20%
Cordova Energy Company	<u>4,578,523</u>	<u>0.19%</u>
	\$248,613,380	10.54%

Source: Rock Island County Clerk's Office.

The above taxpayers represent 10.54% of the Commission's \$2,359,568,291 2014 EAV. Reasonable efforts have been made to seek out and report the largest taxpayers. However, many of the taxpayers listed may own multiple parcels and it is possible that some parcels and their valuations may not be included.

## RETAILERS' OCCUPATION, SERVICE OCCUPATION AND USE TAX

The following table shows the distribution of the municipal portion of the Retailers' Occupation, Service Occupation and Use Tax collected by the Illinois Department of Revenue (the "*Department*") from retailers within the Cities. The table indicates the level of retail activity in the Cities.

### STATE SALES TAX DISTRIBUTION<sup>(2)</sup>

#### CITY OF EAST MOLINE

YEAR <sup>(1)</sup>	MUNICIPAL TAX	HOME RULE TAX	TOTAL
2010	\$1,791,738	\$439,750	\$2,231,488
2011	1,827,178	474,233	2,301,411
2012	1,840,994	458,944	2,299,938
2013	1,865,711	467,688	2,333,400
2014	1,894,096	482,434	2,376,530
2015 <sup>(3)</sup>	1,473,988	347,997	1,821,985

### STATE SALES TAX DISTRIBUTION<sup>(2)</sup>

#### CITY OF MOLINE

YEAR <sup>(1)</sup>	MUNICIPAL TAX	HOME RULE TAX	TOTAL
2010	\$9,335,187	\$8,039,914	\$17,375,101
2011	9,403,960	8,074,102	17,478,063
2012	9,612,923	8,152,439	17,765,362
2013	9,717,466	8,030,903	17,748,369
2014	9,925,708	8,034,107	17,959,815
2015 <sup>(3)</sup>	7,693,002	6,044,656	13,737,659

### STATE SALES TAX DISTRIBUTION<sup>(2)</sup>

#### CITY OF ROCK ISLAND

YEAR <sup>(1)</sup>	MUNICIPAL TAX	HOME RULE TAX	TOTAL
2010	\$2,649,374	\$1,789,136	\$4,438,510
2011	2,667,991	2,254,793	4,922,784
2012	2,709,202	2,287,711	4,996,913
2013	2,751,758	2,284,012	5,035,770
2014	2,792,040	2,288,691	5,080,731
2015 <sup>(3)</sup>	2,270,716	1,738,708	4,009,425

Source: The Department.

(1) 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 Cities less a State administration fee, and the City's 1% home rule share of the State of Illinois Sales Tax Receipts, as collected and disbursed by the State of Illinois. The municipal 1% sales tax includes tax receipts from the sale of food and drugs, which are not taxed by the State.

(2) As of Third Quarter 2015.

## BUILDING PERMITS

LEVY YEAR	BUILDING PERMITS
2010	\$21,863,984
2011	10,693,186
2012	17,114,726
2013	27,290,722
2014	42,968,653

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Source: U.S. Census Bureau.

## LARGEST EMPLOYERS

Below is a listing of large employers located within the County:

EMPLOYER	PRODUCT OR SERVICE	LOCATION	APPROXIMATE NUMBER OF EMPLOYEES
Rock Island Arsenal	Military artillery/gun mounts, equipment integration, spare parts & tool sets, kits & outfits	Rock Island	7,900
Deere & Company	Company headquarters & heavy- duty equipment for the agriculture, construction, forestry & turf care industries	Moline	5,800
Tyson Fresh Meats	Meat packing & processing	Hillsdale	2,500
Trinity Medical Center	Healthcare	Rock Island	2,349
Hy-vee	Retail	Rock Island	1,333
Group O	Marketing services, print mgmt	Milan	1,100
Moline Public School 40	Education	Moline	1,111
Xpac (Export Packaging, Inc.)	Steel & aluminum equipment & small goods packaging contractors	Milan	1,000
Genesis Medical Center, Illini Campus	Hospital	Silvis	970
Rock Island Public School 41	Education	Rock Island	900
Wal-Mart	Retail store	Rock Island	888
Exelon Corp.	Nuclear power plant	Cordova	800
Blackhawk College	Education	Moline	700
Jummers Casino Rock Island	Casino	Rock Island	650
Performance Food Group	Food service distribution	Rock Island	525
Augustana College	Private college	Rock Island	480
ATT	Telecommunications	Rock Island	450

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Source: The County Audit.

## UNEMPLOYMENT RATES

Unemployment statistics are not compiled specifically for the Commission. The following table shows the trend in annual average unemployment rates for the Cities, the County and the State.

	CITY OF EAST MOLINE	CITY OF MOLINE	CITY OF ROCK ISLAND	ROCK ISLAND COUNTY	STATE OF ILLINOIS
2010 – Average	10.3%	9.0%	10.1%	9.5%	10.4%
2011 – Average	9.3%	7.9%	9.2%	8.5%	9.7%
2012 – Average	8.8%	7.7%	8.8%	8.1%	9.0%
2013 – Average	9.2%	8.0%	8.6%	8.3%	9.1%
2014 – Average	8.0%	6.8%	7.3%	7.1%	7.1%
2015 – Average (November)	N/A	5.9%	8.0%	6.1%	5.9%

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Source: State of Illinois Department of Employment Security.

SPECIFIED OWNER-OCCUPIED UNITS

	CITY OF EAST MOLINE		CITY OF MOLINE		CITY OF ROCK ISLAND	
VALUE	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Under \$50,000	610	11.58%	684	5.66%	1,103	10.65%
\$50,000 to \$99,999	1,686	32.00%	4,335	35.86%	4,307	41.59%
\$100,000 to \$149,999	1,624	30.82%	3,425	28.33%	2,745	26.51%
\$150,000 to \$199,999	764	14.50%	1,706	14.11%	1,075	10.38%
\$200,000 to \$299,999	340	6.45%	1,262	10.44%	785	7.58%
\$300,000 to \$499,999	120	2.28%	574	4.75%	241	2.33%
\$500,000 to \$999,999	36	0.68%	93	0.77%	98	0.95%
\$1,000,000 or more	<u>89</u>	<u>1.69%</u>	<u>9</u>	<u>0.07%</u>	<u>2</u>	<u>0.02%</u>
Total	5,269	100.00%	12,088	100.00%	10,356	100.00%

	COUNTY OF ROCK ISLAND		STATE OF ILLINOIS	
VALUE	NUMBER	PERCENT	NUMBER	PERCENT
Under \$50,000	3,896	9.23%	243,163	7.61%
\$50,000 to \$99,999	13,841	32.79%	508,867	15.93%
\$100,000 to \$149,999	11,089	26.27%	525,634	16.45%
\$150,000 to \$199,999	6,087	14.42%	533,202	16.69%
\$200,000 to \$299,999	4,635	10.98%	663,672	20.77%
\$300,000 to \$499,999	1,994	4.72%	486,000	15.21%
\$500,000 to \$999,999	536	1.27%	188,718	5.91%
\$1,000,000 or more	<u>131</u>	<u>0.31%</u>	<u>45,451</u>	<u>1.42%</u>
Total	42,209	100.00%	3,194,707	100.00%

Source: U.S. Census Bureau (2010-2014 American Community Survey).

## EMPLOYMENT BY INDUSTRY

CLASSIFICATION	CITY OF EAST MOLINE		CITY OF MOLINE		CITY OF ROCK ISLAND	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Agriculture, forestry, fishing, hunting and mining	80	0.94%	150	0.72%	90	0.52%
Construction	432	5.07%	883	4.24%	911	5.27%
Manufacturing	1,718	20.18%	4,340	20.86%	2,478	14.33%
Wholesale Trade	187	2.20%	475	2.28%	403	2.33%
Retail Trade	1,161	13.64%	2,657	12.77%	1,713	9.90%
Transportation, warehousing and utilities	342	4.02%	1,190	5.72%	989	5.72%
Information	186	2.18%	563	2.71%	399	2.31%
Finance, insurance and real estate	311	3.65%	894	4.30%	611	3.53%
Professional, scientific management administrative & waste management	578	6.79%	1,899	9.13%	1,339	7.74%
Educational, health & social services	1,961	23.03%	4,091	19.66%	5,025	29.05%
Arts, entertainment, recreations accommodations & food services	754	8.86%	2,035	9.78%	1,748	10.11%
Other Services	521	6.12%	879	4.22%	800	4.63%
Public Administration	283	3.32%	754	3.62%	791	4.57%
Total	8,514	100.00%	20,810	100.00%	17,297	100.00%

CLASSIFICATION	COUNTY OF ROCK ISLAND		STATE OF ILLINOIS	
	NUMBER	PERCENT	NUMBER	PERCENT
Agriculture, forestry, fishing, hunting and mining	771	1.14%	63,558	1.05%
Construction	3,533	5.20%	308,760	5.12%
Manufacturing	12,492	18.39%	756,747	12.55%
Wholesale Trade	1,782	2.62%	181,855	3.01%
Retail Trade	7,828	11.52%	663,401	11.00%
Transportation, warehousing and utilities	4,118	6.06%	353,089	5.85%
Information	1,454	2.14%	124,634	2.07%
Finance, insurance and real estate	2,733	4.02%	442,091	7.33%
Professional, scientific management administrative & waste management	5,662	8.34%	681,276	11.29%
Educational, health & social services	15,256	22.46%	1,391,310	23.07%
Arts, entertainment, recreations accommodations & food services	5,956	8.77%	544,222	9.02%
Other Services	3,295	4.85%	288,596	4.78%
Public Administration	3,047	4.49%	232,492	3.85%
Total	67,927	100.00%	6,032,031	100.00%

Source: U.S. Census Bureau (2010-2014 American Community Survey).

## EMPLOYMENT BY OCCUPATION

CLASSIFICATION	CITY OF EAST MOLINE		CITY OF MOLINE		CITY OF ROCK ISLAND	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Management, professional & related occupations	2,232	26.22%	6,386	30.69%	5,262	30.42%
Service occupations	1,943	22.82%	3,632	17.45%	3,767	21.78%
Sales & office occupations	1,922	22.57%	5,428	26.08%	4,089	23.64%
Natural resources, construction, & maintenance occupation	639	7.51%	1,537	7.39%	1,333	7.71%
Production, transportation & material moving occupations	1,778	20.88%	3,827	18.39%	2,846	16.45%
Total	8,514	100.00%	20,810	100.00%	17,297	100.00%

CLASSIFICATION	COUNTY OF ROCK ISLAND		STATE OF ILLINOIS	
	NUMBER	PERCENT	NUMBER	PERCENT
Management, professional & related occupations	20,390	30.02%	2,204,363	36.54%
Service occupations	13,061	19.23%	1,048,478	17.38%
Sales & office occupations	16,543	24.35%	1,500,220	24.87%
Natural resources, construction, & maintenance occupation	5,511	8.11%	441,705	7.32%
Production, transportation & material moving occupations	12,422	18.29%	837,265	13.88%
Total	67,927	100.00%	6,032,031	100.00%

Source: U.S. Census Bureau (2010-2014 American Community Survey).

## MEDIAN HOUSEHOLD INCOME

According to the U.S. Census Bureau, the City of East Moline had a median household income (“MHI”) of \$40,647, the City of Moline had a MHI of \$50,209, and the City of Rock Island had a MHI of \$40,654. This compares to \$48,226 for the County and \$57,166 for the State. The following table represents the distribution of household incomes for the City of East Moline, the City of Moline, the City of Rock Island, the county and the State at the time of such survey.

	CITY OF EAST MOLINE		CITY OF MOLINE		CITY OF ROCK ISLAND	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Under \$10,000	1,139	13.33%	1,174	6.48%	1,375	8.92%
\$10,000 to \$14,999	497	5.82%	804	4.44%	1,212	7.86%
\$15,000 to \$24,999	846	9.90%	1,912	10.56%	2,085	13.52%
\$25,000 to \$34,999	1,076	12.59%	2,164	11.95%	2,062	13.37%
\$35,000 to \$49,999	1,617	18.92%	2,971	16.40%	2,395	15.53%
\$50,000 to \$74,999	1,594	18.65%	3,962	21.87%	2,650	17.18%
\$75,000 to \$99,999	869	10.17%	2,231	12.32%	1,501	9.73%
\$100,000 to \$149,999	557	6.52%	1,790	9.88%	1,468	9.52%
\$150,000 to \$199,999	136	1.59%	635	3.51%	292	1.89%
\$200,000 or more	215	2.52%	471	2.60%	382	2.48%
Total	8,546	100.00%	18,114	100.00%	15,422	100.00%

	COUNTY OF ROCK ISLAND		STATE OF ILLINOIS	
	NUMBER	PERCENT	NUMBER	PERCENT
Under \$10,000	4,560	7.55%	341,784	7.15%
\$10,000 to \$14,999	3,172	5.25%	218,422	4.57%
\$15,000 to \$24,999	6,902	11.43%	479,384	10.03%
\$25,000 to \$34,999	7,063	11.70%	455,890	9.54%
\$35,000 to \$49,999	9,576	15.86%	614,706	12.86%
\$50,000 to \$74,999	12,097	20.04%	852,342	17.84%
\$75,000 to \$99,999	7,066	11.71%	612,247	12.81%
\$100,000 to \$149,999	6,492	10.75%	671,103	14.04%
\$150,000 to \$199,999	1,823	3.02%	265,693	5.56%
\$200,000 or more	1,616	2.68%	267,062	5.59%
Total	60,367	100.00%	4,778,633	100.00%

Source: U.S. Census Bureau (2010-2014 American Community Survey).

## PER CAPITA INCOME

	2000	2013	% CHANGE 2000-2013
City of East Moline	\$18,245	\$22,617	23.96%
City of Moline	21,557	27,458	27.37%
City of Rock Island	19,202	22,722	18.33%
County of Rock Island	20,164	26,257	30.22%
State of Illinois	23,104	30,019	29.93%

Source: U.S. Census Bureau (2010-2014 American Community Survey).

## SHORT-TERM BORROWING

The Commission has not issued tax anticipation warrants or revenue anticipation notes during the last five years to meet its short-term current year cash flow requirements.

The County issued tax anticipation warrants in March 2014 in the amount of \$1,000,000 for the operating expenses and liabilities of the Center. These warrants were paid on February 28, 2015. In addition, the County issued a revenue anticipation note in the amount of \$750,000 which was used to pay salaries and other operating expenses and liabilities of the Rock Island County Nursing Home. These notes were paid on April 1, 2014.

The County expects to issue short-term debt in the future to meet short-term cash flow requirements. However, recent reimbursements from the State of Illinois will substantially reduce the County's short-term cash flow requirements.

## FUTURE DEBT

Except for the Bonds, neither the Commission nor the County currently anticipates issuing any debt in 2016.

## DEFAULT RECORD

Neither the Commission nor the County has a record of default and each has met its debt repayment obligations promptly.

## REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

### SUMMARY OF PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

The information under this caption describes the current procedures for real property assessments, tax levies and collections in the County. The County will levy separate taxes to pay

the rents due under the Amended Lease, which will be remitted to the Commission for the purpose of paying the principal of and interest on the Bonds. See “THE BONDS—Security” herein. There can be no assurance that the procedures described herein will not change.

## 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 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 four 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 Equalized Assessed Valuation (“EAV”) of certain property owned and used for residential purposes (“*Residential Property*”) may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of \$6,000 for tax year 2012 and thereafter.

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 \$75,000 to the extent the assessed value is attributable solely to such improvements or rebuilding.

The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. Beginning with tax year 2013, the maximum exemption is \$5,000.

A Senior Citizens Assessment Freeze Homestead Exemption (*“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 \$55,000 for assessment year 2008 and after. 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. For those counties with less than 3,000,000 in population, the exempt amount is the difference between (a) the current EAV of the residence and (b) 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).

The Natural Disaster Homestead Exemption (the *“Natural Disaster Exemption”*) applies to homestead properties containing a residential structure that has been rebuilt following a natural disaster occurring in taxable year 2012 or any taxable year thereafter. A natural disaster is an occurrence of widespread or severe damage or loss of property resulting from any catastrophic cause including but not limited to fire, flood, earthquake, wind, or storm. The Natural Disaster Exemption is equal to the equalized assessed value of the residence in the first taxable year for which the taxpayer applies for the exemption minus the base amount. To be eligible for the Natural Disaster Exemption, the residential structure must be rebuilt within two years after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110% of the square footage of the original residential structure as it existed immediately prior to the natural disaster. The Natural Disaster Exemption remains at a constant amount until the taxable year in which the property is sold or transferred.

Another exemption available to disabled veterans operates annually to exempt up to \$70,000 of the EAV of property owned and used exclusively by such veterans or their spouses for residential purposes. However, individuals claiming exemption under the Disabled Persons’ Homestead Exemption (*“Disabled Persons’ Homestead Exemption”*) or the Disabled Veterans Standard Homestead Exemption (*“Disabled Veterans Standard Homestead Exemption”*) cannot claim the aforementioned exemption. 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.

Furthermore, 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, (a) those veterans with a service-connected disability of 70% are granted an exemption of \$5,000 and (b) those veterans with a service-connected disability of less than 70%, 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. 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 (*"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, subject to some limitations. 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 amount of the annual increase in property taxes to be extended for certain Illinois non-home rule units of government. In general, the Limitation Law restricts the amount of such increases to the lesser of 5% or the percentage increase in the Consumer Price Index during the calendar year preceding the levy year. Currently, the Limitation Law applies only to and is a limitation upon all non-home rule taxing bodies (including school districts) in Cook County, the five collar counties (DuPage, Kane, Lake, McHenry and Will) and numerous other counties.

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 the obligations first are approved at a direct referendum, are alternate bonds or are for certain refunding purposes.

Public Act 89-510 permits the county boards of all counties not currently subject to the Limitation Law to initiate binding referenda to extend the provisions of the Limitation Law to all non-home rule taxing bodies in the county.

Under the legislation, the county board of any such county can initiate a binding tax cap referendum at any regularly scheduled election other than the consolidated primary, which is the February election in odd-numbered years. If the referendum is successful, then the Limitation Law will become applicable to those non-home rule taxing bodies having all of their equalized assessed valuation in the county beginning January 1 of the year following the date of the referendum. With respect to multi-county taxing bodies, the Limitation Law becomes applicable only after (a) each county in which the taxing body is located has held a referendum and (b) the proposition is passed in a county or counties containing a majority of the equalized assessed valuation of the taxing body.

As of the date of the referendum causing tax caps to be applicable to a taxing body, referendum approval would be required in order for the taxing body to issue unlimited tax general obligation bonds. A referendum on the applicability of the Limitation Law has yet to be

initiated in the County. No guarantee exists, however that such a referendum will not be held in the future.

If the Limitation Law were to apply in the future to the Commission or the County, the limitations set forth therein will not apply to the taxes levied by the County to pay the principal of and interest under the Amended Lease.

Illinois legislators have introduced proposals to modify the Limitation Law, including freezing property taxes and extending tax caps to all taxing bodies in the State (the “*Property Tax Freeze Proposal*”). If the Property Tax Freeze Proposal or similar legislation were to become law, such reform may have a material impact on the finances of the Commission and the County and the ability of the Commission and the County to issue non-referendum bonds. The Commission or the County cannot predict whether, or in what form, any change to the Limitation Law, including the Property Tax Freeze Proposal, may be enacted into law, nor can the Commission or the County predict the effect of any such change on the Commission’s or the County’s finances.

#### TRUTH IN TAXATION LAW

Legislation known as the 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. The provisions of the Law do not apply to levies made to pay principal of and interest on the Bonds. Pursuant to the PBC Act, the County and the City are each required to levy a tax to make the rental payments due under the Amended Lease.

#### RETIREMENT PLANS

The Commission does not participate independently in any retirement plans. The County participates in several retirement plans administered by the Illinois Municipal Retirement Fund (the “*IMRF*”). Specifically, the County participates in an IMRF-administered plan for its regular employees (the “*Regular Plan*”), its Sheriff’s Law Enforcement Personnel (the “*SLEP Plan*”), and its elected officials (the “*Elected Official Plan*”). Certain of the provisions of these plans are described below. See Note 8 to the County Audit, as attached as an Appendix hereto, for additional information on the pension plans, including plan descriptions, information on employer contributions and employee contributions, the funded status and funding progress of the pension plans, and information on the assumptions made and the methods employed by such pension plans’ actuaries. The County Audit also provides pension information for the entities presented as component units of the County for purposes of the County Audit which are not described herein.

## OVERVIEW OF IMRF

As described above, the County participates in the IMRF Regular Plan, the SLEP Plan, which is administered by IMRF, and Elected Officials Plan, which is also administered by the IMRF (collectively, the “*IMRF Pension Plans*”). The IMRF Pension Plans are defined-benefit, agent multiple employer pension plan that acts as a common investment and administrative agent for units of local government and school districts in Illinois. The IMRF Pension Plans are established and administered under statutes adopted by the Illinois General Assembly. The Illinois Pension Code sets the benefit provisions of the IMRF Pension Plans, which can only be amended by the Illinois General Assembly.

Each employer participating in the IMRF, including the County, has an employer reserve account with the IMRF separate and distinct from all other participating employers (the “*IMRF Account*”) along with a unique employer contribution rate determined by the IMRF Board, as described below. The employees of a participating employer receive benefits solely from such employer’s IMRF Account. Participating employers are not responsible for funding the deficits of other participating employers.

Both employers and employees contribute to the IMRF. With respect to the Regular Plan, employees contribute 4.50% of their salary to the IMRF, as established by statute. With respect to the SLEP Plan and the Elected Officials Plan, employees contribute 7.50% of their salary to the IMRF, as established by statute. Employers are required to make all additional contributions necessary to fund the benefits provided by the IMRF to its employees. The annual rate at which an employer must contribute to the IMRF is established by the IMRF Board of Trustees (the “*IMRF Board*”). The County’s contributions for calendar year 2014, expressed as a percentage of covered payroll, were as follows: 12.07% for the Regular Plan, 26.05% for the SLEP Plan and 54.07% for the Elected Officials Plan.

The IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be viewed at the IMRF’s website as follows: [http://www.imrf.org/pubs/annual\\_reports/annual\\_rpts.htm](http://www.imrf.org/pubs/annual_reports/annual_rpts.htm).

## ACTUARIAL ASSUMPTIONS

The IMRF Board makes contribution decisions on the basis of an actuarial valuation performed by the IMRF’s actuary (the “*Actuary*”). In the actuarial valuation, the Actuary employs certain actuarial methods and assumptions regarding future activity in specific risk areas, including investment return, payroll growth and retiree longevity, to make determinations regarding the future liability of the IMRF to pay benefits and, as a result, to determine the amount that must be contributed in the current year to provide for payment of those benefits in the future. The assumptions and the methods used by the IMRF comply with the requirements of the Governmental Accounting Standards Board.

The IMRF Board adopts its assumptions after considering the advice of the Actuary. At present, the Actuary uses the following assumptions, among others, in generating the actuarial valuation for the IMRF: (1) 7.50% investment rate of return (net of administrative expenses),

(2) projected salary increases of 4.00% per year, attributable to inflation, (3) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (4) post-retirement benefit increases of 3% annually.

Actuarial assumptions that vary widely from pension plan experience may have the effect of causing over or under contributions by participating employers to their respective IMRF accounts. To ensure accurate actuarial assumptions, the Actuary conducts an experience study, which is a comparison of the actual experience of the IMRF to the assumptions previously used by the Actuary, every three years and makes recommendations to the IMRF Board with respect to necessary changes to such assumptions.

See Note 8 to the County Audit for additional information on the IMRF's actuarial methods and assumptions.

#### FUNDED STATUS

As of December 31, 2014, the County's IMRF Pension Plans\* had a Funded Ratio of 66.8% on an actuarial basis, taking into account the Asset Smoothing Method, as described in the footnote to the table below, which corresponds to an UAAL of \$30,603,356. On a market value basis, the IMRF Pension Plans had a Funded Ratio was 83.90%, which corresponds to an UAAL of \$14,834,406. The Funded Ratio and UAAL for the IMRF Pension Plans as of December 31, 2012 through December 31, 2014 were as follows:

THE IMRF PENSION PLANS				
VALUATION DATE (DECEMBER 31)	ACTUARIAL VALUE <sup>1</sup>		MARKET VALUE	
	FUNDED RATIO	UAAL	FUNDED RATIO	UAAL
2014	66.8%	\$30,603,356	83.9%	\$14,834,406
2013	71.4%	26,926,848	88.1%	11,184,263
2012	66.4%	30,926,435	69.3%	28,223,397

Source: The audited financial statements of the County for the fiscal years ended November 30, 2012 through November 30, 2014.

<sup>1</sup> The Funded Ratio and UAAL for the City's IMRF Account are computed using the actuarial value of assets calculated pursuant to the Asset Smoothing Method. The Asset Smoothing Method lessens the immediate impact of market fluctuations on the actuarial value of assets, the UAAL and the Funded Ratio that may otherwise occur as a result of market volatility. However, asset smoothing delays recognition of gains and losses, thereby providing an actuarial value of assets that does not reflect the true value of pension plan assets at the time of measurement. As a result, presenting the actuarial value of assets as determined under the Asset Smoothing Method might provide a more or less favorable presentation of the current financial position of a pension plan than would a method that recognizes investment gains and losses annually.

The County's contributions to the IMRF Pension Plans for fiscal years 2012 through 2014 were as follows:

\* The information in this section also includes pension plan information regarding the Rock Island County Forest Preserve District, which is presented in the County Audit as a component unit of the County.

CALENDAR YEAR ENDED DECEMBER 31	THE IMRF PENSION PLANS	
	APC	PERCENTAGE CONTRIBUTED
2014	\$4,071,210	99%
2013	3,998,839	98%
2012	3,769,063	93%

Source: The County Audit.

Please see Note 8 to the County Audit, and the related required supplementary information disclosures, for a description of the IMRF, the IMRF Pension Plans, the County's funding policy, the funded status and funding progress of the IMRF Pension Plans, and information on the assumptions and methods used by the Actuary.

### OTHER POST-EMPLOYMENT BENEFITS

The County also provides post-retirement healthcare benefits to certain retired County employees, as described in Note 11 to the County Audit, through a single-employer defined benefit plan (the "*County OPEB Plan*"). The County OPEB Plan does not issue a stand-alone financial report. Under the County OPEB Plan, the County pays between 2% and 87% of a retiree's pre-Medicare health insurance premium based on a variety of factors, including date of retirement, age at retirement.

The County funds the County OPEB Plan on a pay-as-you-go basis. Pay-as-you-go funding refers to the fact that assets are not accumulated or dedicated to fund these obligations. Instead, the County contributes the amount necessary to fund its share of the current year costs of providing such benefits. For the fiscal year ended November 30, 2014, the County contributed \$586,922. As of November 30, 2014, the County OPEB Plan had a net OPEB obligation of \$4,007,383 and its actuarial accrued liability was \$12,951,581, all of which was unfunded.

For additional information on the County's post-employment benefits other than pensions, see Note 11 and the required supplementary information to the County Audit.

### BOND RATINGS

S&P is expected to assign the Bonds an insured rating of "AA" (Stable Outlook). Moody's has assigned the Bonds an underlying rating of "A3". These ratings reflect only the views of such organizations and any explanation of the significance of such rating may only be obtained from the rating agencies. Certain information concerning the Bonds and the Commission and the County not included in this Official Statement was furnished to Moody's, S&P and the Bond Insurer by the Commission and the County. There is no assurance that the ratings will be maintained for any given period of time or that it may not be changed by Moody's or S&P if, in such rating agencies' judgment, circumstances so warrant. Any downward change in or withdrawal of the ratings may have an adverse effect on the market price of the Bonds.

Except as may be required by the Undertaking described below under the heading “CONTINUING DISCLOSURE,” neither the Commission nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of the rating or to oppose any such revision or withdrawal.

### **TAX EXEMPTION**

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Commission and the County have covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the compliance with the above-referenced covenants by the Commission and the County under present law, in the opinion of Bond Counsel, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but interest on the Bonds is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the Commission and the County and with respect to certain material facts within the Commission’s and the County’s respective knowledge. Bond Counsel’s opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The Internal Revenue Code of 1986, as amended (the “*Code*”), includes provisions for an alternative minimum tax (“*AMT*”) for corporations in addition to the regular corporate tax in certain cases. The *AMT*, if any, depends upon the corporation’s alternative minimum taxable income (“*AMTI*”), which is the corporation’s taxable income with certain adjustments. One of the adjustment items used in computing the *AMTI* of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation’s “adjusted current earnings” over an amount equal to its *AMTI* (before such adjustment item and the alternative tax net operating loss deduction). “Adjusted current earnings” would include certain tax-exempt interest, including interest on the Bonds.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective

purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the “*Issue Price*”) for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public. The Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

If the Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of each such maturity, if any, of the Bonds (the “*OID Bonds*”) and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the Commission complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described above; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Illinois Department of Revenue under Illinois income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond’s stated redemption price at maturity or, in the case of an OID Bond, its Issue Price plus accreted original issue discount (the “*Revised Issue Price*”), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser’s election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market

price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as “bond premium” and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor’s basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond’s basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the Commission as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Interest on the Bonds is not exempt from present State income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

## **CONTINUING DISCLOSURE**

The Commission and the County will enter into separate Continuing Disclosure Undertakings (together, the “*Undertakings*”) for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the “*MSRB*”) pursuant to the requirements of the Rule. No person, other than the Commission and the County, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a statement of other terms of the Undertakings, including termination, amendment and remedies, are set forth below in “THE UNDERTAKINGS.”

The Commission failed to file its audited financial statements and annual financial information within the time periods required by previous continuing disclosure undertakings for the fiscal years ended June 30, 2011 and June 30, 2012. The County failed to file its audited financial statements and annual financial information within the time periods required by previous continuing disclosure undertakings for the fiscal years ended November 30, 2010, and November 30, 2011. Such filings have since been made, and the County and the Commission have made all subsequently required annual financial information and audited financial statement filings on a timely basis. In addition to such failures, the Commission and the County failed to file notice of certain rating changes with respect to their bond insurers. A failure by the Commission or the County to comply with the Undertakings will not constitute a default under the Bond Resolution or the County Board Ordinance and beneficial owners of the Bonds are limited to the remedies described in the Undertakings. The Commission and the County must report any failure to comply with the Undertakings in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

## **THE UNDERTAKINGS**

The following is a brief summary of certain provisions of the Undertakings of the Commission and the County and does not purport to be complete. The statements made under this caption are subject to the detailed provisions of the Undertakings, copies of which are available upon request from the Commission or the County, respectively.

### **ANNUAL FINANCIAL INFORMATION DISCLOSURE**

The Commission and the County covenant that they will disseminate their Annual Financial Information and Audited Financial Statements, if any (as described below) to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the SEC at the time of delivery of such information. At present, such dissemination is made through the MSRB’s Electronic Municipal Market Access system, referred to as EMMA (“*EMMA*”). The Commission and the County are required to deliver such information within 210 days after the last day of their respective fiscal year end (currently June

30 with respect to the Commission and November 30 with respect to the County, beginning with the fiscal years ending during calendar year 2015. If Audited Financial Statements are not available when the Financial Information is filed, the Commission and the County will submit Audited Financial Statements to EMMA within 30 days after availability to the Commission or the County, respectively. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

*“Annual Financial Information”* means (i) with respect to the Commission, information of the type contained in the following headings, subheadings and exhibits of the Final Official Statement:

FINANCIAL INFORMATION - THE COMMISSION

- Revenue Bonds (Principal Only)
- Selected Financial Information (only as it relates to direct debt)

Exhibit A-1—Statement of Net Assets of the Commission

Exhibit A-2—Statement of Revenues, Expenses and Changes in Net Assets of the Commission

and (ii) with respect to the County, information of the type contained in the following headings, subheadings and exhibits of the Final Official Statement:

FINANCIAL INFORMATION - THE COUNTY

- Direct General Obligation Bonded Debt (Principal Only)
- Selected Financial Information (only as it relates to direct debt)
- Composition of County Equalized Assessed Valuation
- Trend of County’s Equalized Assessed Valuation
- Taxes Extended and Collected for the County
- County Tax Rates by Purpose

Exhibit B—Combined Statement of Revenues, Expenditures and Changes in Fund Balance of the County - Governmental Funds

*“Audited Financial Statements”* means the combined financial statements of the Commission and County, respectively, prepared in accordance with accounting principles generally accepted in the United States of America.

REPORTABLE EVENTS DISCLOSURE

The Commission and the County covenant that they will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the SEC at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. The *“Events”* are:

- Principal and interest payment delinquencies
- Non-payment related defaults, if material
- Unscheduled draws on debt service reserves reflecting financial difficulties

- Unscheduled draws on credit enhancements reflecting financial difficulties
- Substitution of credit or liquidity providers, or their failure to perform
- 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
- Modifications to the rights of security holders, if material
- Bond calls, if material, and tender offers
- Defeasances
- Release, substitution or sale of property securing repayment of the securities, if material
- Rating changes
- Bankruptcy, insolvency, receivership or similar event of the Commission\*
- The consummation of a merger, consolidation, or acquisition involving the Commission or the sale of all or substantially all of the assets of the Commission or 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
- Appointment of a successor or additional trustee or the change of name of a trustee, if material

#### CONSEQUENCES OF FAILURE OF THE COMMISSION OR THE COUNTY TO PROVIDE INFORMATION

The Commission or the County shall give notice in a timely manner to the MSRB of any failure to provide disclosure of Annual Financial Information and Audited Financial Statements when the same are due under the Undertakings.

In the event of a failure of the Commission or the County to comply with any provision of the Undertakings, the beneficial owner of any Bond may seek mandamus or specific performance by court order to cause the Commission or the County to comply with its obligations under the Undertakings. A default under the Undertakings shall not be deemed a default under the Bond Resolution or the County Board Ordinance, and the sole remedy under the Undertakings in the event of any failure of the Commission or the County to comply with the Undertakings shall be an action to compel performance.

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\* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Commission or 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 Commission or 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 Commission or the County.

## AMENDMENT; WAIVER

Notwithstanding any other provision of the Undertakings, the Commission or the County by resolution or ordinance authorizing such amendment or waiver, may amend the Undertakings, and any provision of the Undertakings may be waived, if:

(a) (i) The amendment or the waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including, without limitation, pursuant to a “no-action” letter issued by the SEC, a change in law, or a change in the identity, nature, or status of the Commission or the County, or type of business conducted; or

(ii) The Undertakings, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the Commission or the County (such as Bond Counsel).

In the event that the SEC or the MSRB or other regulatory authority approves or requires Annual Financial Information or notices of a Reportable Event to be filed with a central post office, governmental agency or similar entity other than the MSRB or in lieu of the MSRB, the Commission or the County shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending the Undertakings.

## TERMINATION OF UNDERTAKING

The applicable Undertaking shall be terminated if the Commission or the County, respectively, shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Bond Resolution. The Commission or the County shall give notice to the MSRB in a timely manner if this paragraph is applicable.

## ADDITIONAL INFORMATION

Nothing in the applicable Undertaking shall be deemed to prevent the Commission or the County from disseminating any other information, using the means of dissemination set forth in the respective Undertaking or any other means of communication, or including any other information in any Annual Financial Information or Audited Financial Statements or notice of occurrence of a Reportable Event, in addition to that which is required by such Undertaking. If the Commission or the County chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by the Undertakings, the Commission or the County shall have no obligation under the Undertakings to

update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

#### DISSEMINATION OF INFORMATION; DISSEMINATION AGENT

When filings are required to be made with the MSRB in accordance with the Undertakings, such filings are required to be made through EMMA for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

The Commission or the County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Undertakings, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

#### AUDITED FINANCIAL STATEMENTS

The audited financial statements of the Commission for the fiscal year ended June 30, 2014 (the “*Commission Audit*”), contained in Appendix A-1, including the independent auditor’s report accompanying the Audit, have been prepared by Carpentier, Mitchell, Goddard & Company, LLC, Moline, Illinois (the “*Commission Auditor*”), and approved by formal action of the Board. The Commission has not requested the Commission Auditor to update information contained in the Commission Audit nor has the Commission requested that the Commission Auditor consent to the use of the Commission Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Commission Audit has not been updated since the date of the Commission Audit. The inclusion of the Commission Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the Commission since the date of the Commission Audit. Specific questions or inquiries relating to the financial information of the Commission since the date of the Commission Audit should be directed to April Palmer, County Auditor. The Commission’s audited financial statements for the fiscal year ended June 30, 2015 are expected to be available in March 2016. Unaudited financial statements of the Commission are available on EMMA, *provided, however*, that the contents of the EMMA website are not incorporated herein by such reference.

The comprehensive annual financial report of the County for the fiscal year ended November 30, 2014 (the “*County Audit*”), contained in Appendix A-2, including the independent auditor’s report accompanying the Audit, have been prepared by McGladrey LLP, Davenport, Iowa (the “*County Auditor*”), and approved by formal action of the Board. The County has not requested the County Auditor to update information contained in the County Audit nor has the County requested that the County Auditor consent to the use of the County Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the County Audit has not been updated since the date of the County Audit. The inclusion of the County Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the County since the date of the County Audit.

Specific questions or inquiries relating to the financial information of the County since the date of the County Audit should be directed to April Palmer, County Auditor.

### **BOOK-ENTRY ONLY SYSTEM**

DTC will act as securities depository for the Bonds. The Bonds 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 Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

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 Exchange Act. 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 a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Commission. More information about DTC can be found at **[www.dtcc.com](http://www.dtcc.com)**.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("*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 Bonds 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 Bonds 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 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds 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.

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 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds 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.

Redemption notices shall be sent to DTC. If less than all of the Bonds 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Commission 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 the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds 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 detailed information from the Commission or Registrar, 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 Registrar, or the Commission, 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 Commission or the Registrar, 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.

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

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and the Commission takes no responsibility for the accuracy thereof.

The Commission will have no responsibility or obligation to any Securities Depository, any Participants in the Book-Entry System or the Beneficial Owners with respect to (a) the accuracy of any records maintained by the Securities Depository or any Participant; (b) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption price of, or interest on, any Bonds; (c) the delivery of any notice by the Securities Depository or any Participant; (d) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (e) any other action taken by the Securities Depository or any Participant.

#### **CERTAIN LEGAL MATTERS**

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois ("*Chapman and Cutler*"), Bond Counsel, who has been retained by, and acts as, Bond Counsel to the Commission. Chapman and Cutler has also been retained by the Commission to serve as Disclosure Counsel to the Commission with respect to the Bonds. Although as Disclosure Counsel to the Commission, Chapman and Cutler has assisted the Commission with certain disclosure matters, Chapman and Cutler has not undertaken to independently verify the accuracy, completeness or fairness of this Official Statement or other offering material related to the Bonds and does not guarantee the accuracy, completeness or fairness of such information. Chapman and Cutler's engagement as Disclosure Counsel was undertaken solely at the request and for the benefit of the Commission, to assist it in discharging its responsibility with respect to the Official Statement, and not for the benefit of any other person (including any person purchasing Bonds from the Underwriter), and did not include any obligation to establish or confirm factual matters, forecasts, projections, estimates or any other financial or economic information in connection therewith. Further, Chapman and Cutler makes no representation as to the suitability of the Bonds for investment by any investor.

#### **NO LITIGATION**

No litigation is now pending or threatened restraining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds or any proceedings of the Commission or the County taken with respect to the issuance or

sale thereof. A certificate to this effect will be delivered by the Commission and the County with the other customary closing papers when the Bonds are delivered.

#### **UNDERWRITING**

Pursuant to the terms of a Bond Purchase Agreement (the “*Agreement*”) between the Commission and Robert W. Baird & Co., Incorporated, Naperville, Illinois (the “*Underwriter*”), the Underwriter has agreed to purchase the Bonds at an aggregate purchase price of \$29,760,306.24. The purchase price will produce an underwriting spread of 1.012% of principal amount if all Bonds are sold at the initial offering prices. The Agreement provides that the obligation of the Underwriter is subject to certain conditions precedent and that the Underwriter will be obligated to purchase all of the Bonds if any of the Bonds are purchased. The Bonds may be offered and sold to certain dealers (including dealers depositing such Bonds into investment trusts, accounts or funds) and others at prices different than the initial public offering price. After the initial public offering, the public offering price of the Bonds may be changed from time to time by the Underwriter.

### **AUTHORIZATION**

This Official Statement has been approved by the Commission and the County for distribution to prospective purchasers of the Bonds. The Board and the County Board, acting through authorized officers, will each provide to the Underwriter at the time of delivery of the Bonds, a certificate confirming that, to the best of its knowledge and belief, the Official Statement with respect to the Bonds, together with any supplements thereto, at the time of the adoption of the Bond Resolution, and at the time of delivery of the Bonds, was true and correct in all material respects and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated where necessary to make the statements therein in light of the circumstances under which they were made, not misleading.

/s/ Leroy Peterson

Chairman, Board of Commissioners  
Public Building Commission of Rock Island  
County, Rock Island County, Illinois

/s/ Ken Maranda

Chairman, County Board  
The County of Rock Island County, Illinois

February 25, 2016

## EXHIBITS

Exhibit A shows the recent financial history of the County. Exhibit B provides information on the County's 2016 budget. Exhibits C and D provide information regarding the recent financial history of the Commission.

### EXHIBIT A — COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF THE COUNTY, 2010-2014

	GENERAL <sup>(1)</sup>	FOREST PRESERVE COMMISSION	HOPE CREEK CARE CENTER	IMRF <sup>(1)</sup>	NON-MAJOR GOVERNMENTAL	TOTAL
Beginning Balance	\$ 8,037,731	\$7,175,336	\$ 3,657,448	\$ 0	\$10,716,770	\$29,587,285
Revenues	23,300,924	4,146,584	13,360,423	0	28,062,354	68,870,285
Expenditures	24,830,842	7,984,046	15,479,973	0	24,546,363	72,841,224
Net Transfers	(41,479)	0	866,118	0	(824,639)	0
Other Sources (Uses)	23,040	14,098	0	0	59,930	97,068
Ending Balance, 11/30/10	\$ 6,489,374	\$3,351,972	\$ 2,404,016	\$ 0	\$13,468,052	\$25,713,414
Beginning Balance - Restated	\$ 7,019,916	\$3,351,972	\$2,404,075	\$ 0	\$12,937,451	\$25,713,414
Revenues	23,525,254	4,690,960	16,551,963	0	23,094,536	67,862,713
Expenditures	25,270,201	5,884,808	16,428,075	0	22,846,342	70,429,426
Net Transfers	979,471	0	(856,850)	0	(92,643)	29,978
Other Sources (Uses)	14,275	6,803	0	0	42,901	63,979
Ending Balance, 11/30/11	\$ 6,268,715	\$2,164,927	\$ 1,671,113	\$ 0	\$13,135,903	\$23,240,658
Beginning Balance	\$ 6,268,715	\$2,164,927	\$ 1,671,113	\$ 970,517	\$12,165,386	\$23,240,658
Revenues	24,162,174	5,294,367	17,794,466	2,537,780	21,068,858	70,857,645
Expenditures	25,842,862	5,179,838	18,453,121	2,513,243	20,057,417	72,046,481
Net Transfers	707,696	0	(258,522)	0	(419,196)	29,978
Other Sources (Uses)	16,195	5,904	0	0	92,222	114,321
Ending Balance, 11/30/12	\$ 5,311,918	\$2,285,360	\$ 753,936	\$995,054	\$12,849,853	\$22,196,121
Beginning Balance - Restated	\$ 5,002,138	\$2,285,360	\$ 753,936	\$995,054	\$13,159,633	\$22,196,121
Revenues	23,392,085	4,850,140	18,311,334	2,807,459	21,490,958	70,851,976
Expenditures	24,736,056	4,917,960	17,455,849	2,706,963	20,754,065	70,570,893
Net Transfers	928,335	0	5,888	(9,832)	(894,413)	29,978
Other Sources (Uses)	2,434	19,237	76,778	0	107,395	205,844
Ending Balance, 11/30/13	\$ 4,588,936	\$2,236,777	\$ 1,692,087	\$1,085,718	\$13,109,508	\$22,713,026
Beginning Balance	\$ 4,588,936	\$2,236,777	\$ 1,692,087	\$1,085,718	\$13,109,508	\$22,713,026
Revenues	22,864,995	6,062,833	17,783,479	3,333,540	24,881,030	74,925,877
Expenditures	24,663,223	5,782,152	18,971,849	2,800,992	22,986,093	75,204,309
Net Transfers	1,123,631	0	0	(10,815)	(1,079,840)	32,976
Other Sources (Uses)	461,695	11,878	0	0	0	473,573
Ending Balance, 11/30/14	\$ 4,376,034	\$2,529,336	\$ 503,717	\$1,607,451	\$13,924,605	\$22,941,143

Source: The audited financial statements of the County for the years ending November 30, 2010 - November 30, 2014.

(1) IMRF information is included with non-major governmental funds for fiscal years 2010 and 2011

**EXHIBIT B — GENERAL FUND BUDGET OF THE COUNTY**  
**FISCAL YEAR ENDING NOVEMBER 30, 2016**

	2016
Revenues:	
Taxes	\$ 6,977,265
Intergovernmental	10,464,587
Charges for Services	5,082,587
Miscellaneous	249,122
Other Financing	1,718,558
Licenses and Permits	21,830
Fines and Forfeitures	<u>847,300</u>
Total Revenues	\$25,361,599
Expenditures:	
Salaries and Wages	\$17,282,479
Supplies	287,557
Other Services and Charges	4,065,435
Capital Outlay	445,741
Personal Benefits	3,951,287
Transfers	<u>2,139,953</u>
Total Expenditures	\$28,172,452
Fund Balances, beginning of the year	\$ 3,991,538
Fund balances, end of the year	\$ 1,180,685

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Source: The County.

**EXHIBIT C**  
**STATEMENT OF NET ASSETS OF THE COMMISSION GENERAL FUND**  
**FISCAL YEARS ENDED JUNE 30, 2010-2014**

	2010	2011	2012	2013	2014
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 843,722	\$ 845,196	\$ 931,907	\$1,041,643	\$ 801,664
Other assets	871,210	928,485	871,550	889,277	827,236
Total Current Assets	<u>\$1,714,932</u>	<u>\$1,773,681</u>	<u>\$1,803,457</u>	<u>\$1,930,920</u>	<u>\$1,628,900</u>
Noncurrent assets:					
Capital Assets:					
Nondepreciable, land	\$ 180,250	\$ 180,250	\$ 180,250	\$ 200,250	\$ 456,812
Depreciable:					
Equipment and fixtures	24,092	24,092	24,092	24,092	24,092
Improvements other than buildings	92,909	92,909	92,909	92,909	92,909
Buildings	713,914	713,914	713,914	713,914	713,914
Less accumulated depreciation	(55,842)	(82,270)	(108,762)	(135,254)	(161,746)
Total Capital Assets	<u>\$ 955,323</u>	<u>\$ 928,895</u>	<u>\$ 902,403</u>	<u>\$ 895,911</u>	<u>\$1,125,981</u>
Total Assets	<u><u>\$2,670,255</u></u>	<u><u>\$2,702,576</u></u>	<u><u>\$2,705,860</u></u>	<u><u>\$2,826,831</u></u>	<u><u>\$2,754,881</u></u>
<b>LIABILITIES</b>					
Current Liabilities:					
Unearned revenue	\$ 474,392	\$ 491,062	\$ 461,366	\$ 469,312	\$ 511,557
Accrued liabilities	711,934	722,548	739,946	801,839	781,407
Total liabilities	<u>\$1,186,326</u>	<u>\$1,213,610</u>	<u>\$1,197,312</u>	<u>\$1,271,151</u>	<u>\$1,292,964</u>
<b>NET ASSETS</b>					
Invested in Capital Assets	\$ 955,323	\$ 928,895	\$ 902,403	\$ 895,911	\$1,125,981
Unrestricted	528,606	560,071	606,145	659,769	335,936
Total Net Assets	<u>\$1,483,929</u>	<u>\$1,488,966</u>	<u>\$1,508,548</u>	<u>\$1,555,680</u>	<u>\$1,461,917</u>
Total Liabilities and Fund Balances	<u><u>\$2,670,255</u></u>	<u><u>\$2,702,576</u></u>	<u><u>\$2,705,860</u></u>	<u><u>\$2,826,831</u></u>	<u><u>\$2,754,881</u></u>

Source: The annual financial reports of the Commission for the years ending June 30, 2010-June 30, 2014.

**EXHIBIT D**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS OF THE COMMISSION**  
**GENERAL FUND**  
**FOR THE YEARS ENDED JUNE 30, 2010-2014**

	2010	2011	2012	2013	2014
Operating revenue, charges for services	\$1,497,679	\$1,553,324	\$1,549,736	\$1,514,859	\$1,447,463
Operating Expenses, other services and charges	0	0	0	0	0
Total Operating revenue	<u>\$1,497,679</u>	<u>\$1,553,324</u>	<u>\$1,549,736</u>	<u>\$1,514,859</u>	<u>\$1,447,463</u>
Operating expenses					
Other services and charges	\$1,516,024	\$1,527,822	\$1,507,788	\$1,444,525	\$1,517,390
Depreciation expense	26,526	26,428	26,492	26,492	26,492
Total operating expenses	<u>\$1,542,550</u>	<u>\$1,554,250</u>	<u>\$1,534,280</u>	<u>\$1,471,017</u>	<u>\$1,543,882</u>
Operating income (loss)	<u>\$ (44,871)</u>	<u>\$ (926)</u>	<u>\$ 15,456</u>	<u>\$ 43,842</u>	<u>\$ (96,419)</u>
Non-operating revenue					
Bond sales proceeds	\$ 2,251	\$ 0	\$ 0	\$ 0	\$ 0
Investment earnings	9,604	5,963	4,126	3,290	2,656
Total Non-operating Revenue	<u>\$ 11,855</u>	<u>\$ 5,963</u>	<u>\$ 4,126</u>	<u>\$ 3,290</u>	<u>\$ 2,656</u>
Changes in net assets	<u>\$ (33,016)</u>	<u>\$ 5,037</u>	<u>\$ 19,582</u>	<u>\$ 47,132</u>	<u>\$ (93,763)</u>
Total net assets, beginning of year	<u>\$1,516,945</u>	<u>\$1,483,929</u>	<u>\$1,488,966</u>	<u>\$1,508,548</u>	<u>\$1,555,680</u>
Total net assets, end of year	<u>\$1,483,929</u>	<u>\$1,488,966</u>	<u>\$1,508,548</u>	<u>\$1,555,680</u>	<u>\$1,461,917</u>

Source: The annual financial reports of the Commission for the years ending June 30, 2010-June 30, 2014.

**APPENDIX A-1**

**AUDITED FINANCIAL STATEMENTS OF THE  
COMMISSION FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

***ROCK ISLAND COUNTY  
PUBLIC BUILDING COMMISSION***

***Rock Island, Illinois***

***ANNUAL FINANCIAL REPORT***

***Year Ended June 30, 2014***

**ROCK ISLAND COUNTY  
PUBLIC BUILDING COMMISSION**

June 30, 2014

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## **INDEPENDENT AUDITOR'S REPORT**

To the Public Building Commission Board  
Rock Island County, Illinois

We have audited the accompanying financial statements of the governmental activities-internal service funds of the Rock Island County Public Building Commission, a component unit of Rock Island County, Illinois as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities-internal service funds of the Rock

Island County Public Building Commission as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison information on pages 3-5, and 17 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming our opinion on the financial statements that collectively comprise the Rock Island County Public Building Commission's basic financial statements. The Summary of Insurance Coverage's and Organization Data are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Summary of Insurance Coverage's and Organization Data have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Carpentier, Mitchell, Goddard & Company, LLC*

Moline, Illinois  
January 26, 2015

## MANAGEMENT' S DISCUSSION AND ANALYSIS

As financial management of the Rock Island County Public Building Commission, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Commission for the fiscal year ended June 30, 2014. The discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the financial statements as a whole.

All amounts, unless otherwise indicates, are expressed in thousands of dollars.

### FINANCIAL HIGHLIGHTS

Operating income (loss) for the Rock Island County Public Building Commission was \$(96,419), for fiscal year 2014. This was a decrease of over \$140,000 from the prior year. The net loss produced a decrease in net position of \$(93,763). The term "net position" refers to the difference between assets and liabilities. At the close of fiscal year 2014, the Commission had a net position of \$1,461,917 and a decrease of 6.03% over the prior year.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Commission's financial statements, which is comprised of the basic financial statements and the notes to the financial statements. Since the Commission is comprised of a single internal service fund, no fund level financial statements are shown. This report also contains other supplementary information concerning the Commission's net revenues, composite debt service ratio, in addition to the basic financial statements themselves.

**Basic financial statements.** The basic financial statements are designed to provide readers with a broad overview of the Commission's finances, in a manner similar to a private-sector business.

The balance sheet presents information on all of the Commission's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating. Net position increases when revenues exceed expenses. Increases to assets, without a corresponding increase to liabilities, results in increased net position, which indicates an improved financial position.

The statements of revenues, expenses, and changes in fund net position, present information showing how a government's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

### Financial Analysis

Net position may serve, overtime, as useful indicator of a government's financial position. In the case of the Commission assets exceeded liabilities by \$1,461,917, at the close of the most recent fiscal year. This represents a decrease of 6.03% over the previous year, most of which is attributable to operations. The restricted net position was \$335,936.

By far, the largest portion of the Commission's net position consists of property and its cash and cash equivalents in liquid assets (e.g. Money Market Accounts at Blackhawk State Bank). The Commission uses these assets to provide service and consequently, these assets are available to liquidate the revenue bond liabilities and operations and maintenance expenses.

#### ROCK ISLAND COUNTY PUBLIC BUILDING COMMISSION'S NET POSITION

	2014	2013
Current and other assets	\$ 1,628,900	\$ 1,930,920
Capital assets	1,125,981	895,911
Total assets	<u>\$ 2,754,881</u>	<u>\$ 2,826,831</u>
Current liabilities:		
Accounts payable	\$ - - -	\$ - - -
Accrued liabilities	781,407	801,839
Advance rent received	511,557	469,312
Total liabilities	<u>\$ 1,292,964</u>	<u>\$ 1,271,151</u>
Net position:		
Invested in capital assets	\$ 1,125,981	\$ 895,911
Restricted	335,936	659,769
Total net position	<u>\$ 1,461,917</u>	<u>\$ 1,555,680</u>

#### ROCK ISLAND COUNTY PUBLIC BUILDING COMMISSION'S CHANGES IN NET POSITION

	2014	2013
Operating revenues	\$ 1,447,463	\$ 1,514,859
Operating expenses	1,543,882	1,471,017
Income (loss) from operations	<u>\$ (96,419)</u>	<u>\$ 43,842</u>
Net operating revenues (expenses):		
Investment dividend income	\$ 2,656	\$ 3,290
Net nonoperating revenue (expenses)	<u>\$ 2,656</u>	<u>\$ 3,290</u>
Change in net position	<u>\$ (93,763)</u>	<u>\$ 47,132</u>
Net position, beginning of year	<u>1,555,680</u>	<u>1,508,548</u>
Net position, end of year	<u>\$ 1,461,917</u>	<u>\$ 1,555,680</u>

**Significant events.** As noted, above operating expenses increased by \$72,865 over the prior year. This was primarily due to an increase in debt service expenditures.

**Cash flows.** Net cash provided by operating activities was \$13,927. Net cash provided by noncapital financing activities was a breakeven. Net cash used in investing activities was \$253,906, from interest earned on cash and cash equivalents and investments in property. The net cash balances decreased by \$239,979.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets.** The Commission's capital assets consist of equipment, furniture, fixtures and property purchased since May 1, 2004, for all assets cost threshold over \$5,000. Prior to May 1, 2004, Capital Assets were not Capitalized by the Commission.

**Long-term debt.** The Commission has two bond issues outstanding and payable of \$335,000, 2009 series and \$4,850,000, 2012 series. The bonds are secured by a lease agreement with the County through December 1, 2019. The Long-term Debt is recorded on the Counties books since the Commission is a blended component unit.

Commission Act which limits the amount of debt a commission may issue to 5% of the chartering organizations property tax assessed valuation. The legal debt margin at June 30, 2014, was \$113,299,004, see note 7 in the notes to financial statements.

## **REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the Commission's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Chairman, Rock Island County Public Building Commission, County Board Office, 1504 Third Avenue, Rock Island, Illinois 61201.

**ROCK ISLAND COUNTY PUBLIC BUILDING COMMISSION**  
**BALANCE SHEET - PROPRIETARY FUNDS**

June 30, 2014

	Governmental Activities Internal Service Funds		
	Operation and Maintenance	Bond and Interest	Surplus
<b>ASSETS</b>			
Cash and cash equivalent	\$ 668,524	\$ 9,242	\$ 123,898
Accrued rental income	291,667	535,569	-
Due from other funds	-	172,236	-
Capital assets:			
Property and Equipment, net of accumulated depreciation	1,125,981	-	-
Total assets	<u>\$ 2,086,172</u>	<u>\$ 717,047</u>	<u>\$ 123,898</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES</b>			
Accrued liabilities	\$ 291,667	\$ 489,740	\$ -
Advance rent	170,519	341,038	-
Due to other funds	172,236	-	-
Total liabilities	<u>\$ 634,422</u>	<u>\$ 830,778</u>	<u>\$ -</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 1,125,981	\$ -	\$ -
Restricted accounts	325,769	(113,731)	123,898
Total net position	<u>\$ 1,451,750</u>	<u>\$ (113,731)</u>	<u>\$ 123,898</u>
Total liabilities and net position	<u>\$ 2,086,172</u>	<u>\$ 717,047</u>	<u>\$ 123,898</u>

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<u>Totals</u>	<u>Adjustments Note 5</u>	<u>Statement of Net Position</u>
\$ 801,664	\$ -	\$ 801,664
827,236	-	827,236
172,236	(172,236)	-
<u>1,125,981</u>	<u>-</u>	<u>1,125,981</u>
<u>\$ 2,927,117</u>	<u>\$ (172,236)</u>	<u>\$ 2,754,881</u>
\$ 781,407	\$ -	\$ 781,407
511,557	-	511,557
172,236	(172,236)	-
<u>\$ 1,465,200</u>	<u>\$ (172,236)</u>	<u>\$ 1,292,964</u>
\$ 1,125,981	\$ -	\$ 1,125,981
335,936	-	335,936
<u>\$ 1,461,917</u>	<u>\$ -</u>	<u>\$ 1,461,917</u>
<u>\$ 2,927,117</u>	<u>\$ (172,236)</u>	<u>\$ 2,754,881</u>

The accompanying notes are an integral part of these financial statements.

**ROCK ISLAND COUNTY PUBLIC BUILDING COMMISSION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**

For the Year Ended June 30, 2014

	Operation and Maintenance	Bond and Interest	Surplus	Totals
<b>REVENUES</b>				
Rental income	\$ 500,000	\$ 947,463	\$ -	\$ 1,447,463
Total revenues	<u>\$ 500,000</u>	<u>\$ 947,463</u>	<u>\$ -</u>	<u>\$ 1,447,463</u>
<b>OPERATING EXPENDITURES</b>				
Public Treasurer Bond	\$ 290	\$ -	\$ -	\$ 290
Treasurer services	4,868	-	-	4,868
Professional services	4,800	-	-	4,800
Miscellaneous	97	-	-	97
Operating and maintenance expense	502,293	-	-	502,293
Depreciation expense	26,492	-	-	26,492
Debt service expenditures:				
Principal	-	829,167	-	829,167
Interest and fees	-	175,875	-	175,875
Total operating expenses	<u>\$ 538,840</u>	<u>\$ 1,005,042</u>	<u>\$ -</u>	<u>\$ 1,543,882</u>
Operating income (loss)	<u>\$ (38,840)</u>	<u>\$ (57,579)</u>	<u>\$ -</u>	<u>\$ (96,419)</u>
<b>NON OPERATING REVENUES (EXPENSES)</b>				
Investment income	\$ 907	\$ 883	\$ 866	\$ 2,656
Total non-operating revenues (expenses)	<u>\$ 907</u>	<u>\$ 883</u>	<u>\$ 866</u>	<u>\$ 2,656</u>
Income (loss) before transfers	<u>\$ (37,933)</u>	<u>\$ (56,696)</u>	<u>\$ 866</u>	<u>\$ (93,763)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	\$ 433,680	\$ -	\$ -	\$ 433,680
Transfers to other funds	-	(153,954)	(279,726)	(433,680)
Total other financing sources & (uses)	<u>\$ 433,680</u>	<u>\$ (153,954)</u>	<u>\$ (279,726)</u>	<u>\$ -</u>
Change in net position	\$ 395,747	\$ (210,650)	\$ (278,860)	\$ (93,763)
NET POSITION - Beginning	<u>1,056,003</u>	<u>96,919</u>	<u>402,758</u>	<u>1,555,680</u>
NET POSITION - Ending	<u><u>\$ 1,451,750</u></u>	<u><u>\$ (113,731)</u></u>	<u><u>\$ 123,898</u></u>	<u><u>\$ 1,461,917</u></u>

The accompanying notes are an integral part of these financial statements.

**ROCK ISLAND COUNTY PUBLIC BUILDING COMMISSION**  
**STATEMENT OF CASH FLOWS-PROPRIETARY FUNDS**  
For the Year Ended June 30, 2014

	<b>Governmental Activities Internal Service Funds</b>			<b>Totals</b>
	<b>Operation and Maintenance</b>	<b>Bond and Interest</b>	<b>Surplus</b>	
<b>OPERATING ACTIVITIES</b>				
Receipts from County under lease agreement	\$ 514,083	\$ 1,037,666	\$ -	\$ 1,551,749
Payments for Administrative expenses	(10,055)	-	-	(10,055)
Payment to Rock Island County	(500,000)	-	-	(500,000)
Payment for maintenance	(2,293)	-	-	(2,293)
Debt service payments on Revenue Bonds	-	(1,025,474)	-	(1,025,474)
Net cash provided (used) operating activities	<u>\$ 1,735</u>	<u>\$ 12,192</u>	<u>\$ -</u>	<u>\$ 13,927</u>
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Operating transfer-in from other funds	\$ 433,680	\$ -	\$ -	\$ 433,680
Operating transfer-out from other funds	-	(153,954)	(279,726)	(433,680)
Net cash provided (used) for non capital financing activities	<u>\$ 433,680</u>	<u>\$ (153,954)</u>	<u>\$ (279,726)</u>	<u>\$ -</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property	\$ (256,562)	\$ -	\$ -	\$ (256,562)
Interest and dividends on investments	907	883	866	2,656
Net cash provided (used) in investing activities	<u>\$ (255,655)</u>	<u>\$ 883</u>	<u>\$ 866</u>	<u>\$ (253,906)</u>
Net increase (decrease) in cash	\$ 179,760	\$ (140,879)	\$ (278,860)	\$ (239,979)
Cash balance- beginning	488,764	150,121	402,758	1,041,643
Cash balance- ending	<u><u>\$ 668,524</u></u>	<u><u>\$ 9,242</u></u>	<u><u>\$ 123,898</u></u>	<u><u>\$ 801,664</u></u>

(Continued)

**ROCK ISLAND COUNTY PUBLIC BUILDING COMMISSION**  
**STATEMENT OF CASH FLOWS-PROPRIETARY FUNDS**  
For the Year Ended June 30, 2014

	Governmental Activities Internal Service Funds			Totals
	Operation and Maintenance	Bond and Interest	Surplus	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</b>				
Net income from operations	\$ (38,840)	\$ (57,579)	\$ -	\$ (96,419)
Adjustments to reconcile net income(loss) from operations to net cash provided (used) in operating actives	-	-	-	-
Depreciation expense	26,492	-	-	26,492
(Increase) decrease in accrued rental income	-	62,041	-	62,041
Increase (decrease) in accrued liabilities	-	(20,432)	-	(20,432)
Increase (decrease) in advance rent	14,083	28,162	-	42,245
Net cash provided (used) by operating activities	<u>\$ 1,735</u>	<u>\$ 12,192</u>	<u>\$ -</u>	<u>\$ 13,927</u>

The accompanying notes are an integral part of these financial statements.

**ROCK ISLAND PUBLIC BUILDING COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**

June 30, 2014

**NOTE 1 – NATURE OF OPERATIONS, REPORTING ENTITY, AND  
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting Entity -

The Rock Island County Building Commission, Rock Island County, Illinois "PBC" sole purpose is to finance and construct the County's jail and justice center for the use of the County, and its primary source of income currently is from the lease of the facilities to the County. No other entities are appropriate for inclusion in the basic financial statements of the Commission based on the criteria specified by the Governmental Accounting Standards Board. The basic criteria for the inclusion of an entity in the Commission's financial statements is the ability of the Commission to exercise oversight responsibility over the entity. Manifestations of oversight responsibility over an entity include: 1) financial independency, 2) selection of governing authority, 3) designation of management, 4) ability to significantly influence operations, and accountability for fiscal matters. As a result of applying this criteria, all of the entities above have been included in the Commission's financial statements and the Commission has been included in the County's financial statements as a blended component unit.

The Commission is a corporation and body politic, created under the provisions of the Public Building Commission Act of the Illinois Revised Statutes (Act), approved July 5, 1955, as amended. The Commission was created on October 10, 1981, and has no stockholders and all revenue from the project shall be paid to the treasurer of the commission to be applied in accordance with the provisions of the bond resolution.

On April 1, 2005, the PBC issued \$9,020,000 in Refunding Bonds, Series 2005 to refinance the series 1998 and 1999 revenue bonds. The net proceeds of \$8,921,030 (after payment of \$213,342 in underwriting fees, insurance, and other costs) were invested in Government Securities that are held in an irrevocable trust fund account for the Commission to the benefit of the holders of the Refunded Bonds to pay the principal of and interest on the Refunded Bonds as they come due on each interest payment date and principal redemption date.

On October 1, 2009, the PBC issue \$555,000 in Justice Center Refunding Revenue Bonds with interest rates ranging from 3.7 percent to 8.5 percent to advance refund \$555,000 of Local Government Revenue Bonds, Series 1998 with interest rates from 4.65 percent to 5.0 percent. The net proceeds of \$557,251 (after payment of \$18,883 in underwriting fees, insurance and other costs) were used to purchase government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Series 1998 bonds. As a result, the 1998 Series are considered defeased and the liability for those bonds have been removed from County's government-wide statement of net position.

On September 1, 2012, the PBC issued \$5,625,000 in Justice Center Revenue Refunding Bonds with interest rates ranging from 1.8 percent to 2.0 percent to advance refund \$5,625,000 of Refunding Bonds, series 2005.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1 – (Continued)

The County has pledged as security for bonds issued by the Public Building Commission, a portion of the County's property tax. The bonds issued by the PBC in 2009 and 2012 in the amounts of \$555,000 and \$5,625,000, respectively, for the purpose of advance refunding of Justice Center Revenue Bonds, Series 1999, and Refunding Bonds, series 2005, which are payable through 2018 and 2019, respectively. The County has committed to appropriate each year from the property tax, an amount sufficient to cover the principal and interest requirements on the PBC debt. The Public Building Commission has pledged as sole security for the bonds from the County. Total Principal and interest remaining on the debt is \$5,482,276 with annual requirements ranging from \$908,100 to \$918,737. For the current year, principal and interest paid by the PBC and the total property tax revenue recognized from the County were \$1,005,042 and \$1,447,463, respectively.

#### Basis of Accounts -

The Commission prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for proprietary funds, which are similar to those for private business enterprises. The measurement focus is upon income determination, financial position and cash flows. Proprietary funds are accounted for on the flow of economic resources, measurement focus and use the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. The Commission has the following Internal Service Funds:

The Building Revenue Fund is used to account for lease payments from lessee to pay for principal, interest, operation and maintenance expenses. Such revenues are to be credited to the accounts as follows:

#### Operating and Maintenance Account-

There shall be credited to the Operating and Maintenance Account an amount sufficient to pay the cost of operation and maintenance of the Project to the extent assumed by the Commission, including the expense of administration of the Commission, pursuant to the terms of the supplement for each fiscal year.

#### Bond and Interest Account-

After crediting the required amounts of the Operation and Maintenance Account, there shall be credited to the Bond and Interest Account the amount of principal and interest on revenue bonds which will become due on December 1<sup>st</sup> and June 1<sup>st</sup> of each fiscal year. All monies in said account shall be used only for the purpose of paying the principal and interest on the bonds as the same shall become due.

#### Surplus Account-

All monies remaining in the Revenue fund, after crediting the required amounts in each fiscal year to the respective accounts provided for above, shall be credited to the Surplus Account and shall be used in the order and for the purposes as follows:

1. To complete the Project

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1 – (Continued)

2. To credit the Bond and Interest Account in order to cure or prevent a deficiency therein.
3. To repair or replace any part of the Project which may have been damaged or destroyed by accident or casualty.
4. To credit the Operation and Maintenance Account whenever such crediting may, in the opinion of the Commission, be desirable or necessary.
5. To retire Bonds in advance to maturity.

#### Measurement Focus and Basis of Accounting-

The Commission adopted GASB No. 34 *Basic Financial Statements and Management's Discussion and Analysis – For State and Local Governments*, during the fiscal year ended June 30, 2003. The adoption of this Statement is meant to present the information in a format more closely resembling that of the private sector and to provide the use with more managerial analysis regarding the financial results and the Commission's outlook.

The Commission adopted GASB No. 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Previous reporting standards did not include guidance for these elements, which are distinct from assets and liabilities.

#### Cash and Cash Equivalents-

Consist primarily of demand deposits and cash with fiscal agent. Additionally, each fund's equity is treated as a cash equivalent because the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

#### Statement of cash flows-

For purposes of cash flows, the Commission considers all highly liquid investments, with a maturity of three months or less, when purchased, to be cash equivalents.

#### Capital Assets-

Property, land improvements, plant and equipment, are reported in the governmental Activities-Internal Service Funds-Operation and Maintenance Account as assets in the Balance Sheet. Capital assets are recorded at historical cost or estimated historical costs if actual cost is not available. Prior to May 1, 2004, government funds' infrastructure assets were not capitalized. Infrastructure assets acquired since May 1, 2004 are recorded at cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statements of Revenues, Expenses, and Changes in Fund Net Position, with accumulated depreciation reflected in the Balance Sheet. Depreciation is provided over

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1 – (Continued)

the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$5,000 is used to report capital assets. The range of estimated useful live by type of assts is as follows:

Building and Systems	20-50 Years
Improvements other than Buildings	15-20 Years
Equipment & Fixtures	5-10 Years

#### Transfers-

Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as operating transfers and are reported as other financing sources (uses). Nonrecurring or nonroutine transfers of equity between funds are recorded as residual equity transfers and, accordingly, are reported as additions or deductions from net position.

#### Operating Revenues and Expenses-

The Commission distinguishes between operating and non-operating revenues and expenses in its Statement of Revenues, Expenses, and Changes in Net Position. For this purpose, rental income revenue generated by operations are reported as operating revenues. Operating expenses include all cost of administrative, operating and maintenance, and debt service expenditures. As a result, non-operating revenues and expenses include all investing and financing transactions.

### NOTE 2 – CAPITAL LEASE

The County on July 1, 1998, entered into a noncancellable lease agreement with the PBC to lease the new criminal justice facility through December 31, 2018. The lease agreement was amended on July 21, 1999, and amended again on April 1, 2005 and October 1, 2009, to extend the terms of the agreement through December 31, 2019. A fourth supplement to the lease agreement was dated September 6, 2012 to amend the rental payments due to the issuance of Revenue Refunding Bonds, series 2012. The terms of the lease provide for annual rental payments to pay the \$500,000 annually for operating and maintenance costs of the PBC, to service the debt of the PBC, and to provide a bond reserve which shall be applied as a credit against the County's lease payments upon resolution of the County Board directing such application. The County also agreed to pay additional rent to the PBC whenever the PBC's funds are not sufficient to pay its operating and maintenance costs or expenses required to be paid pursuant to the PBC's bond resolution. The County's obligation to make the lease payments under the lease constitutes a general obligation of the County for which its full faith and credit is pledged. The future minimum annual lease payments from 2015 to 2019, ranging from \$1,418,341 to \$908,100 (including \$500,000 annually for operating and maintenance costs which are paid back to the County the following fiscal year around December 1).The present value of capital lease payments for the jail lease that is related to the service of the debt that is not capitalized as a lease receivable because the PBC is a blended component unit and included in the primary government reporting section of the Rock Island County financial statements.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3 – DEPOSITS AND INVESTMENTS

Interest rate risk. The highest interest rate available will always be the objective of the investment policy combined with safety of principal, which is left to the discretion of the Commission Treasurer.

Credit risk. The investment and deposit of the Commission monies is governed by the provisions of the Illinois compiled Statutes. In accordance with these provisions, all Commission monies must be invested in one or more of the following:

- a. Interest-bearing savings accounts, interest-bearing certificates of deposits or interest-bearing time deposits constituting direct obligations of any bank as shall have been selected and designated under the terms of the Illinois Compiled Statutes and as shall have complied with the requirements thereof;
- b. Shares or other forms of securities legally issuable by savings and loan associations incorporated under the laws of this state or any other state or under the laws of the United States, provided such shares or securities are insured by the Federal savings and Loan Insurance Corporation;
- c. Bonds, notes, certificates of indebtedness, treasury bills, or other securities, now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest;
- d. Short-term discount obligations of the Federal National Mortgage Association.

During the year ended June 30, 2014, the Commission complied with the provisions of these statutes pertaining to the types of investments held and institutions in which deposits were made.

*Concentration of credit risk* In accordance with its investment policy, the Commission Treasurer will have the sole responsibility to select which financial institutions will be depositories for Commission funds. The Commission Treasurer will take into consideration security, size, location, condition, service, fees, and the community relations involvement of the financial institutions when choosing a financial institution.

*Custodial credit risk – deposits* In the case of deposits, this is the risk that, in the event of a bank failure, the Commission's deposits may not be returned. At all times in order to meet the objective of safety of capital, the Commission Treasurer will require deposits in excess of federally insured amount to be collateralized and evidenced by an approved written agreement.

As of June 30, 2014, the carrying amount of the Commission's deposits with financial institutions totaled \$801,664, with the bank balances totaling \$801,664. The bank balances of \$801,664 are entirely insured and collateralized with securities held at Federal Reserve Bank of Boston in the name of Blackhawk State Bank but are segregated into a pledge account specifically for the Commission of \$1,825,000 Federal Farm Credit Bank, 1.84% due July 24, 2020.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3 - (Continued)

*Custodial credit risk - investments* For an investment, this is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2014, there was no investment custodial risk for the Commission.

### NOTE 4 – CAPITAL ASSETS

The following is a Summary of Changes in capital asses for the year ended June 30, 2014:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Government activities				
Operation and Maintenance:				
Capital Assets, not being depreciated:				
Land	\$ 200,250	\$ 256,562	\$ -	\$ 456,812
Total Capital Assets, not being depreciated	<u>\$ 200,250</u>	<u>\$ 256,562</u>	<u>\$ -</u>	<u>\$ 456,812</u>
Capital Assets being depreciated:				
Equipment and fixtures	\$ 24,092	\$ -	\$ -	\$ 24,092
Improvements other than buildings	92,909	-	-	92,909
Buildings	713,914	-	-	713,914
Total Capital assets being depreciated	<u>\$ 830,915</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 830,915</u>
Less accumulated depreciation for:				
Equipment and fixtures	\$ 21,534	\$ 2,329	\$ -	\$ 23,863
Improvements other than buildings	33,629	6,315	-	39,944
Buildings	80,091	17,848	-	97,939
Total accumulated depreciation	<u>\$ 135,254</u>	<u>\$ 26,492</u>	<u>\$ -</u>	<u>\$ 161,746</u>
Total capital assets being depreciated, net	<u>\$ 695,661</u>	<u>\$ (26,492)</u>	<u>\$ -</u>	<u>\$ 669,169</u>
Governmental activities Capital Assets, net	<u>\$ 895,911</u>	<u>\$ 230,070</u>	<u>\$ -</u>	<u>\$ 1,125,981</u>

Depreciation expense was charged to functions/programs of the Commission to the Governmental Activities-Internal Service Funds-Operation and Maintenance Account for \$26,492.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5 – INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2014, interfund receivables and payables were as follows:

Fund	Receivable	Payable
Proprietary Fund Type-Revenue Fund Types	\$ 172,236	\$ -
Bond and Interest Account		
Proprietary Fund Type-Revenue Fund Types	-	172,236
Operation and Maintenance Account		
Total	<u>\$ 172,236</u>	<u>\$ 172,236</u>

### NOTE 6 – INSURANCE

The County is required to carry fire and extended coverage insurance on the justice center to the full insurance value there of the kind and in the amounts which are usually carried by operators of similar property. See Insurance Coverage's Exhibit B.

### NOTE 7 – LEGAL DEBT MARGIN

In 1978, the General Assembly of the State of Illinois enacted an amendment to the Public Building Commission Act which limits the amount of debt a Commission may issue to 5% of the chartering organization's property tax assessed valuation. The following is a computation of the Commission's legal debt margin at June 30, 2014:

Total assessed value of taxable property in Rock Island County	\$ 2,369,680,082
Debt Limit Percentage	<u>5%</u>
Debt Limit	<u>\$ 118,484,004</u>
Amount of debt applicable to debt limit:	
Series 2009 Revenue Refunding Bonds	\$ 335,000
Series 2012 Revenue Refunding Bonds	<u>4,850,000</u>
Total Revenue Refunding Bonds	<u>\$ 5,185,000</u>
Legal debt margin	<u><u>\$ 113,299,004</u></u>

### NOTE 8 – COMMISSION MEMBER

Members of the Rock Island County Public Building Commission are presented in Exhibit C.

**ROCK ISLAND COUNTY PUBLIC BUILDING COMMISSION**  
**BUILDING PROJECT REVENUE FUND**  
**PROPRIETARY FUND TYPE- OPERATION AND MAINTENANCE ACCOUNT**  
**ANNUAL BUDGET ACCRUAL BASIS**  
For the Year Ended June 30, 2014

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Rental Income	\$ 500,000	\$ 500,000	\$ -
Total revenues	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ -</u>
<b>EXPENDITURES</b>			
Current:			
General administrative expenses:			
Public employee treasurer bond	\$ 255	\$ 290	\$ (35)
Treasurer services	3,600	4,868	(1,268)
Mileage for members	882	87	795
Miscellaneous expenses	10,000	10	9,990
Office supplies	400	-	400
Professional services	7,500	4,800	2,700
Property acquisition and demolition	150,000	-	150,000
Maintenance cost due to Rock Island County included in gross rental income distributions	500,000	502,293	(2,293)
Total Operating Expenses	<u>\$ 672,637</u>	<u>\$ 512,348</u>	<u>\$ 160,289</u>
Excess (deficit) of revenues over expenditures	\$ (172,637)	\$ (12,348)	\$ 160,289
<b>OTHER FINANCING SOURCES (USES)</b>			
Dividend/interest income on investments	-	907	907
Net change in fund balance	<u>\$ (172,637)</u>	<u>\$ (11,441)</u>	<u>\$ 161,196</u>

**ROCK ISLAND COUNTY PUBLIC BUILDING COMMISSION  
INSURANCE COVERAGES**June 30, 2014

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<u>Company</u>	<u>Risk</u>	<u>Amount</u>	<u>Expiration Date</u>
Old Republic Surety Company	Public Official Bond	\$ 25,000	5/1/2015
AJ Gallagher Risk Management Services, Inc.	Property & Inland Marine	18,873,055	1/1/2016

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**ROCK ISLAND COUNTY PUBLIC BUILDING COMMISSION**


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PRESENT MEMBERS

Ted E. Davies, Chairman

TERMS

12/81-9/82

10/82-9/87

10/87-9/92

10/89-9/97

10/97-9/02

10/02-9/07

10/07-9/12

10/12-9/17

Resigned 6/14

William P. Laird, Commissioner

11/4-9/85

10/85-9/90

10/90-9/95

10/95-9/00

10/00-9/05

10/05-9/10

10/10-9/15

Resigned 9/13

Richard J. Janoski, Commissioner

12/91-9/96

10/93-9/98

10/98-9/03

10/03-9/08

10/08-9/13

Resigned 9/13

Leroy Petersen, Commissioner

10/96-9/01

10/01-9/06

10/06-9/11

10/11-9/16

James Gremanis, Commissioner

10/01-9/14

Resigned 9/13

Richard Fisher, Commissioner

10/13-9/18

Tom McCune, Commissioner

10/13-9/14

Craig Kavensky, Commissioner

10/13-9/15

Patrick Wendt, Commissioner

7/14-9/17

**APPENDIX A-2**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE COUNTY  
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2014**



**Comprehensive  
Annual Financial Report for  
The Fiscal Year Ended  
November 30, 2014**

# **ROCK ISLAND COUNTY, ILLINOIS**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**Year Ended November 30, 2014**

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Prepared by:  
April Palmer, County Auditor  
Amanda Van Daele, Chief Deputy Auditor



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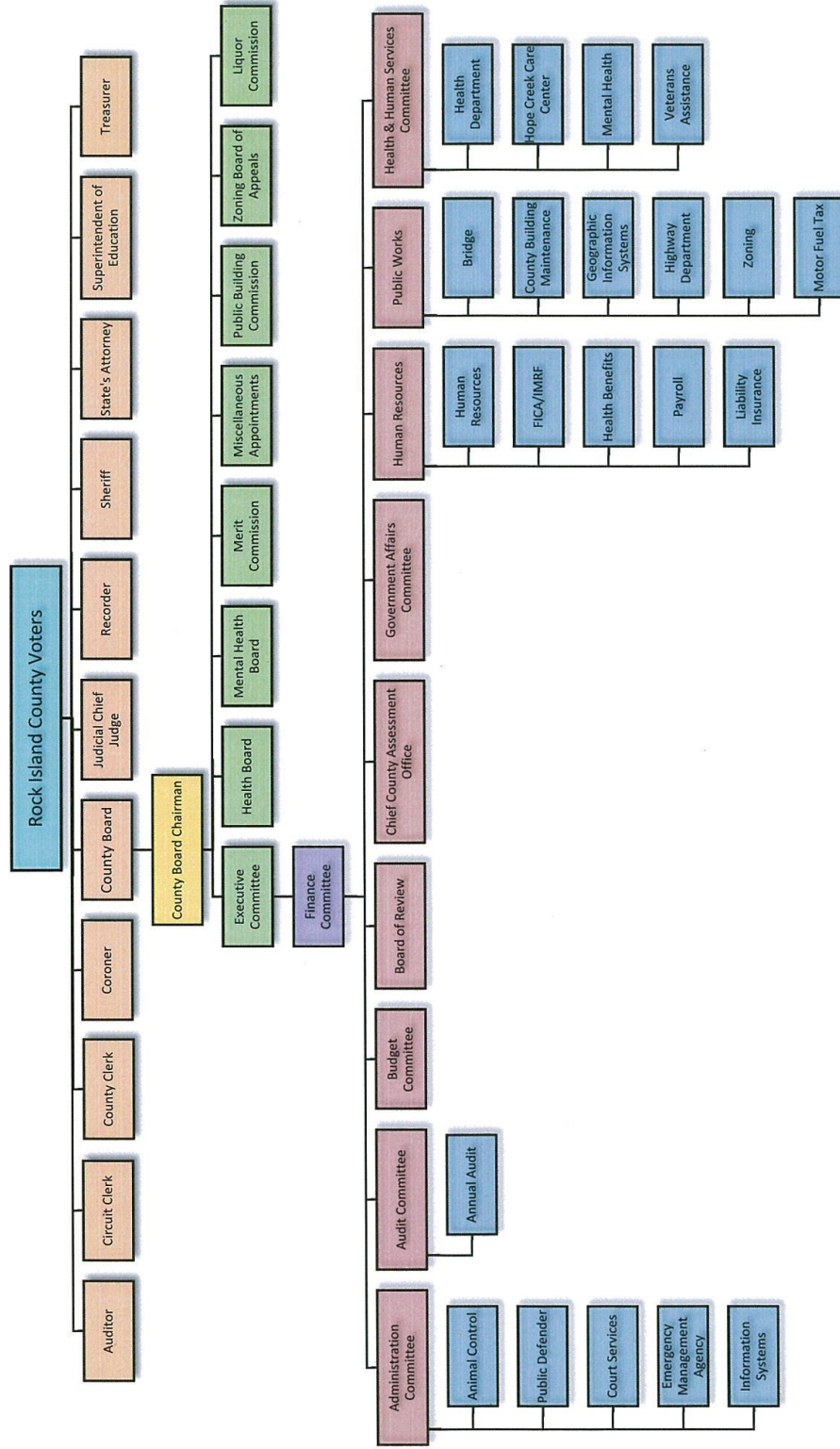
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# Rock Island County Organizational Chart



## Rock Island County, Illinois

### List of Elected and Appointed Officials November 30, 2014

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#### Elected Officials

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##### County Board Members

District 1 Christine R. Filbert	District 14 Virginia "Ginny" Shelton
District 2 Gary Freeman	District 15 Nick Camlin
District 3 Michael Burns	District 16 John R. Brandmeyer
District 4 Patrick Moreno	District 17 Edwin M. Langdon Jr.
District 5 Virgil K. Dueysen	District 18 Dr. Rodney K. Simmer
District 6 Donald L. Jacobs	District 19 Kimberly M. Callaway-Thompson
District 7 Steven E. Meersman	District 20 Mia D. Mayberry
District 8 Brian D. Vyncke	District 21 Scott E. Terry
District 9 Philip Banaszek (left Board October 2014)	District 22 Drue Mielke
District 10 Steven Ballard	District 23 Ken "Moose" Maranda
District 11 Donald Johnston	District 24 Ronald Oelke
District 12 David L. Adams	District 25 J. Robert Westpfahl
District 13 Richard H. "Quijas" Brunk	

Auditor April Palmer  
Circuit Clerk Lisa Bierman  
County Clerk Karen Kinney  
Coroner Brian Gustafson  
Recorder of Deeds Kelly Fisher  
Sheriff Jeff Boyd (through September 2014) and Sheriff Gerry Bustos  
States Attorney John McGehee  
Regional Superintendent of Education Tammy Muerhoff  
Treasurer Louisa A. Ewert

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#### Appointed Officials

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Animal Control Coordinator Samantha DeYoung	Civil Division Chief Patty Castro, Heidi Weller (through September 2014) and Kathy Swett
Court Services Director Janet Leone	Maintenance Supervisor Michael VanErstelvele
ESDA Director Jerry Shirk	Hope Creek Care Center Adm. Trudy Whittington
Forest Preserve Director Jeff Craver	Public Defender Baron Heintz
GIS Director Josh Boudi	Public Health Administrator Theresa Berg
IS Director Linda Billingsley	County Engineer John Massa
Board of Review Joan Russell	Supervisor of Assessments Larry Wilson
708 Mental Health Board Larry Pollard	Veterans Assistance Todd Harlow
Human Resources Director Jill Rich (through July 2014) and Gerald Clyde	Zoning Director Greg Thorpe



# Rock Island County

April 30, 2015

To the County Board and the Citizens of Rock Island County:

The Comprehensive Annual Financial Report (CAFR) of the County of Rock Island, Illinois for fiscal year ended November 30, 2014 is submitted herewith. The CAFR is management's annual financial report to its taxpayers, governing board, oversight bodies, investors and creditors.

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

The County's financial statements have been audited by McGladrey LLP, Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended November 30, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by

**APRIL L PALMER**  
**COUNTY AUDITOR**  
**AMANDA VAN DAELE**  
**CHIEF DEPUTY**

Rock Island County, Illinois

**Pat Koranda**  
Internal Auditor

1504 Third Avenue, Rock Island, IL 61201  
Phone: (309) 558-3518 · Fax: (309) 558-3516  
E-Mail: [apalmer@co.rock-island.il.us](mailto:apalmer@co.rock-island.il.us)  
Website: <http://www.rockislandcounty.org>

**Martha Nieto**  
Financial Reporting Accountant

management; and evaluating the overall financial statement presentation. For the year ended November 30, 2014 McGladrey LLP have issued an unqualified ("clean") opinion on Rock Island County's financial statements. The independent auditor's report is presented as the first component of the financial section of the report.

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

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

## **Profile of the Government**

Rock Island County was incorporated in March 1831 with its Charter adopted in July 1833. It is located in the western part of Illinois and currently occupies a land area of 452 square miles and serves a population of 146,063 residents (Source: U.S. Census Bureau, 2014 Population Estimates). Major cities within Rock Island County include the City of Rock Island, the City of Moline, the City of East Moline, the City of Silvis, the Village of Milan and 10 other smaller communities with populations less than 5,000 residents each.

Rock Island County operates as a township form of government. Policy-making and legislative authority are vested in a County Board consisting of a County Board Chairman and twenty-four other members. The governing board is responsible for, among other things, passing resolutions, adopting the budget, and passing policies and procedures. The Chairman or specific committees of the County Board appoint board members to Bi-State Regional Commission, Rock Island County Emergency Telephone System Board, Rock Island County Merit Commission, Illini Hospital District, and various fire protection, conservancy and sanitary districts within the County. Because these appointments do not include a majority of the County Board these organizations are not

part of the financial statements of the County. Each Board member is elected in 4 or 2 year staggered terms with all 25 member's positions up for election every 10 years, and with one member elected per district, by district.

Illinois law determines the functions and services of county government. Rock Island County provides a full range of services to its residents. Some of these services include education; construction and maintenance of roads and bridges; veteran's assistance; physical and mental health services; zoning & GIS, general administration and recreational activities. The largest portion of the County's expenditures are for judicial, public safety, and correctional facility services, which include the State's Attorney, Public Defender, Circuit Clerk, Circuit Court, Court Services (adult and juvenile probation); and the Sheriff's functions (law enforcement and the county correctional center), Emergency Management Agency, Animal Control, and Coroner services.

Other functions mandated by state statute include the maintenance of the property tax system; voter registration and the election system; maintaining vital records such as birth, marriage, and death certificates; and the recording of deeds and other real estate records.

The County also operates a nursing home, primarily from patient fees and Medicare/Medicaid reimbursements. Voters approved a special property tax levy in 1983 to help support the nursing home. Voters also approved special property taxes in 1976 to help fund mental health services, in 1995 to fund a Cooperative Extension Education Service, and in 2000 to fund a Children's Advocacy Center.

The financial statements of Rock Island County include as part of its primary government the Rock Island County Forest Preserve Commission and the Public Building Commission. Both are blended component units with separate tax levies and fiscal year ends. They are also audited independently from the County by other external auditors.

The Rock Island Tri-County Consortium which is legally separate from the County is presented as a discrete component unit.

Rock Island County is empowered to levy a property tax on properties within its boundaries. Taxes assessed the prior year are due and payable in four equal installments in the current year beginning in June, with next installments due in August, September and November.

Formal budgetary integration is employed as a management control device during the year for the general fund and most special revenue

funds. The annual budget serves as the foundation for Rock Island County's financial planning and control. The County follows these procedures in establishing the budgetary data reflected in the combined financial statements: 1.) At a regular or special called meeting of the County Board in November, the proposed budget for the fiscal year commencing on the following December 1 is submitted. The budget includes proposed expenditures and means of financing them. 2.) Prior to December 1, the budget is legally enacted through passage of an appropriation ordinance. 3.) Transfers of budgeted amounts among object categories, or any budget increases by means of an emergency or supplemental appropriation can occur throughout the year but require approval by two-thirds of the County Board Members. 4.) Budgets for the general and certain special revenue funds are adopted on a basis consistent with generally accepted accounting principles. 5.) Expenditures may not legally exceed the total amount of the revised budget appropriations of individual funds.

Formal budgetary integration is not employed for debt service and capital projects funds, because effective budgetary control is alternatively achieved through the debt payment provisions of the obligations outstanding or County Board approval of the specific capital project.

## **Factors Affecting Financial Condition**

### **Local Economy**

State of Illinois The State of Illinois has continued to experience budgetary problems, which in turn has an impact on Rock Island County. State Income Tax and other tax portions received by Rock Island County, as well as many of the salary reimbursements from the State continue to be behind. Some are for multiple months and could be that the county won't receive until well after the fiscal year end. Some months get skipped permanently and never paid to the County as due. The State has continued to deny the County its portion of inheritance tax since July 2012. A continued portion of the County's replacement revenue is not being received and is used to supplement some salary reimbursements instead. This is the result of the on-going cash flow problem at the State level. This makes budgeting and making timely expenditures very difficult for the County at times.

Population Rock Island County is part of the Davenport-Moline-Rock Island, IA-IL MSA (metropolitan statistical area) commonly referred to as the "Quad Cities", which also includes Henry County, IL; Mercer County, IL; and Scott County, IA. In 2010 the total population of the MSA was 379,690

(2010 Census). As of 2014 the MSA had increased to 383,030 or 0.9% over the past four years. Rock Island County's total population in 2014 was 146,063, a decrease of 1.0% since 2010 (147,546). It is projected that Rock Island County's population will increase by 1.6% by 2025 to 148,375. In comparison the MSA is expected to grow by 3.2% (Source: Woods & Poole Economics, 2014).

Labor Force In 2014 the annual average labor force of Rock Island County was 73,101, down 4.2% over the past 5 years. The MSA's labor force has also seen a decrease in the past 5 years of 1.9% and is currently averaging 195,000. Rock Island County's unemployment rates have been steadily declining since reaching 9.6% in 2010, with an annual average of 7.1% in 2014. The MSA's annual unemployment rate in 2014 was 6.3% (Source: Illinois Department of Employment Securities)

Employment The economy of the area has traditionally centered on farm implement manufacturing and agriculture. In the last twenty years there has been a shift from manufacturing jobs into a service providing sector. This shift in the Quad Cities area economy has been in the professional, non-professional, retail and wholesale sectors of the economy. Within that sector, Professional and Business Services and Health Care and Social Assistance both showed the greatest increase, growing 60.6% within the last 20 years. Also within the Service Providing Sector, the Education and Health Services area has seen substantial growth increasing by 49.4% within the same time frame. The largest decreases in the Goods Producing sector were in Durable Goods & Manufacturing, off-setting some of those service sector increases. As of 2013, the top industry for employment in Rock Island County was Education, Health Care, and Social Services which employ approximately 22.5% of the employed work force. Manufacturing and Retail Trade were the next highest employed with 18.4% and 10.7% respectively. The MSA overall is very similar with just over 20% of the employed work force being employed in Education, Health Care, and Social Services (U.S. Census Bureau, American Community Survey 1-year estimates, 2013). The County has received a grant to educate these displaced workers to keep a percentage in the County seeking work elsewhere. This was a huge opportunity in the region to turn the Arsenal job loss into an opportunity for growth and diversification. Also, the base actually has a net gain in uniformed personnel with the arrival of the First Army. This indicates that the Department of Defense intends to maintain the Arsenal as a military installation over the long term.

Among some of the major businesses in the area with significant increases in their work force are The Rock Island Arsenal, Deere & Company, Tyson

Fresh Meats, Unity Point-Trinity Medical Center, Group O and X-Pac (Export Packaging).

Education is also a major employer in the County. There are 10 total traditional public school districts operating within Rock Island County. Moline and Rock Island school districts are still in the top ten employers in the County, and Black Hawk College, a post-secondary education facility, retains its position within those top ten. The County also has a major presence within the area of Augustana College and Western Illinois University.

Rock Island County, along with the Quad Cities area continues to recover from the economic downturn of 2008 and 2009. The Illinois Quad Cities metro area continues to enjoy relatively low levels of unemployment compared to other Illinois metro areas. The region is showing signs of continued, but slow, recovery in FY 2014. The unemployment rate is improving, and the Gross Regional Product is growing, yet retail sales and total labor force show a slight decline.

In the past year alone, local governments reported an estimated 1,280 jobs created and 1,218 retained. It should be noted that for infrastructure projects, the number of jobs created and retained relate directly to the construction project and not to any potential business expansion that may be the result of infrastructure improvements. The Quad Cities to Chicago passenger rail service was awarded \$230 million in a federal grant, and the project is scheduled to be completed in fiscal years 2015/2016. The City of Moline is continuing development of RiverTech infrastructure by Western Illinois University. The City of Rock Island invested in their riverfront as well, recently installing a transient boat dock at Schwiebert Park.

The center of the region's economy from an employment perspective continues to be the Rock Island Arsenal, with over 7,000 civilian and military personnel working on the base. Military budget cuts, sequestration and base realignment are all possible threats to this vital economic asset. The United States Army has allocated \$110 million in funding for the Arsenal through the Arsenal Sustainment Initiative, which will help ensure that the Arsenal remains competitive as it bids on additional workload through its partnerships with the private sector. The FY 2012 National Defense Authorization Act (NDAA) provided contracting flexibility to the Rock Island Arsenal. The 2012 NDAA gave the Arsenal's manufacturing center the unlimited ability to partner with the private sector.

Other regional assets include the Mississippi River, Interstate Network and multiple Fortune 500 companies, such as John Deere. The John Deere

Foundation has awarded St Ambrose University a \$500,000 grant to support its Industrial Engineering and Mechanical Engineering programs. Augustana College, Black Hawk College, Eastern Iowa Community Colleges, St. Ambrose University, and Western Illinois University have all made significant investments to the buildings on their campuses, as well as improving the quality of education and programs provided at their facilities.

### **Long-term financial planning**

Particular focus has been placed on General Fund regarding its deteriorating fund balance and cash flow issues. The County Board has been directed through the budget and finance committees to concentrate on long-term additional revenue options. The first had taken the form of a referendum to collect a county wide additional quarter cent sales tax for public safety. The designation of public safety is due to the fact that over half the General Fund expenditure budget is for public safety services. This question was presented to the voters on the March 2014 ballot, but failed. Cash flow needs will require inner fund and/or bank loans to continue current capacity operations in the General Fund. The County Board wishes to employ staff and provide services at the levels currently provided into the future. This is just not going to be possible without other options very soon.

The second method to generate more General Fund revenue was to perform an updated cost study by an independent company. The results of this study have increased fee revenue to the maximum with the understanding that we need to remain competitive. This revenue generation is fairly significant. However, the study also concluded the General Fund was charging administrative services to certain other funds within the county at too high a rate. This is actually causing the transfer income for these services to decrease almost just as significantly. Therefore, this method will remain basically at no increase or decrease in revenue.

In its concern for voter opinion and as an additional attempt to make significant financial changes, hopefully for the better, the County Board adopted the policy to hire a County Administrator. This position will be installed in fiscal year 2015. The contractual obligations will include economic development expertise to the county. Also of high priority is bonding and grant knowledge to decrease bond interest due and increase grant revenue. The position will take a professional approach to the county's budget as well. The county hopes the new approach may bring insight and policy improvements so to operate as the client it serves have become accustomed.

The County Board approved offering long time employees at a minimum age of 50 an early retirement incentive option. This option will be available for one year from 7/31/14-7/30/15. The hope is that high paid employees choosing this option will be replaced at much lower starting wages, or that some positions may not need to be replaced at all. This will save the county in wage and benefit costs. Some departments will be able to maintain their number of employees to offer services at current or greater levels and others may be able to hire additional employees to go back to levels of staffing needed to function better.

Rock Island County secured funding through two bond issues to construct a new 245 bed nursing home in the County and replace the existing facility. The opening of the new facility was in May of 2009. By the end of the 2009 fiscal year the facility was at 95% capacity. During FY10 repayment of said bonds had begun with the first interest payment due in May of 2010 and principal in November of 2010 thus increasing expenditures for the home. With the economic conditions of the area bringing interest rates to historic lows, the County Board researched and refinanced some future years of the home's current bond issues. This saves substantial interest costs over the term of the now three bond issues.

Financial conditions worsened at Hope Creek Nursing Home (the Home) due to the State of IL enacting a new nursing home bed tax at a rate of \$6.07 per bed per day retro-active to the assessment month of June 2011. The first payment was withheld in October of 2012 and continuing. Through 2014 this has created over a half million dollar decrease in Medicaid revenue per year. The home was forced to issue a local bank loan in May 2013 for \$750,000 with a 1% interest due April 1, 2014. This loan was paid off in March of 2014 so that a new loan of \$1,000,000 could be utilized. This new loan was a tax anticipation warrant. Therefore, pay-off had to be done in the same incremental percentages as the Home collected its property tax revenue throughout the 2014 fiscal year. The entire loan obligation was paid back by fiscal year end. Additional bank loans will be needed to continue operations to the Home in future years, however.

An Ad Hoc committee was also formed to research and advise the County Board of short and long-term options for continued operations with this revenue reduction. A referendum question was placed on the ballot in November 2014 to attain permission from the voters to increase the property tax levy for the home temporarily, so long term remedies can be put in place. One of the long-term remedies could be legislation changes to abolish the new bed tax. This referendum failed. The County Board desires to continue to operate the home as a County owned facility to provide the best options for Rock Island County's senior and

nursing care needs populations. On-going alternatives are being researched and will be decided upon by the board into the new fiscal year. To determine how best to accomplish this goal some options were private management, leasing the building, and lease of the operations of the Home.

The county board voted to put a referendum question on the ballot in March 2013 to facilitate funding for building a new courthouse and/or any other County facilities/properties. The public voted this question down as well. The Ad Hoc Committee that was formed consisting of various public officials and citizens continued to research and inform the County Board and public about the County's options regarding any new County facility/property into fiscal year 2014. Funds to hire independent experts were loaned to the County General Fund from the courts at a 2% per annum interest rate to provide this information. In mid-2014 talks on this issue came to a standstill with no definite funding sources being discovered. After this happened the loan plus all interest due was paid back to the courts. As always the County Board has the best interest of the tax payers in mind while promoting efficiency and effectiveness for the County as a whole. The County Board has still not revised and voted for the placement of a new referendum question on a ballot regarding this issue. Discussion will not pick up until into fiscal year 2015. Ignoring this issue too long could create the potential for lawsuits considering the courthouse conditions for employees and visitors.

### **Major Initiatives**

In November 2011, members of the County Board, Elected Officials and Department Heads, and other county employees met to determine goals for the County to work on in the future. No meetings of this type have taken place since. Therefore, the County Board continues to strive to achieve these goals through adversity. The following are the top ten goals and future actions those members of this session felt important to the continued development of the County.

1. Investigate new revenue sources.
2. Attract new businesses and keep existing, specifically John Deere.
3. Develop a Courthouse/Justice complex – specifically new courtrooms.
4. Better understand the County's workforce.
5. Have help from an economic development professional for the County.
6. Begin developing Loud Thunder and Martin Farm there.
7. Continue to implement I-74/Amtrak.

8. Promote early voting.
9. Look at existing expertise in the County and leverage it.
10. Tap into the existing area resources such as the Casino.

The first goal is constantly being considered as in "Long-term Financial Planning" above, so that services are kept updated and impact to employees is minimal.

Rock Island County has continued membership with the Quad Cities Chamber of Commerce. The Chamber has been instrumental in bringing in new business to Rock Island County and the County will continue to work with them.

The County will hire a County Administrator to focus highly upon economic development into 2015. This individual will assist the county board in a professional capacity to accomplish parts of many of the other goals listed as well.

Our current elected district Congresswoman was appointed to the I74 and Amtrak implementation committees to help further progress for our area.

Early voting initiatives continue through federal grant funds whenever possible to keep the designation that Rock Island County attained in 2012 as the top in voter turnout in the State of Illinois.

Annual continuation of a new health plan choice has occurred since it was revealed in 2012. This new premier plan promotes health. A mandatory screening is administered to see how many metabolic syndrome risk factors a participating employee has. If more than two risk factors are found the employee is required to complete a naturally slim program. The goal is to have a healthy workforce and the program also saves the employee and the County money.

Also promoting health and providing a less expensive option for health care needs, the County has continued its partnership with the City of Rock Island for an employee health clinic. The care provided in this clinic has expanded to cover any member of the County's Employee Health Benefit plan. No appointment is needed. The clinic's location is close to the main County Buildings in downtown Rock Island. These provide less time employees are away from work. Many times needs can be covered here. Otherwise, referrals to specialists are issued. The member going to the clinic has no co-payment. This is a help to both the County and health plan members.

## Relevant Financial Policies

**Cash management policies and practices.** Cash temporarily idle during the year was invested in Black Hawk State Bank, and certificates of deposits. The maturities of the investments are for no more than 12 months. Investments, which consist primarily of mutual funds, are reported at fair value as determined by the fund's current share price. Earnings from these pooled investments are allocated monthly to the appropriate funds based on the average daily investment balance for each fund. All funds are collateralized or insured by the Federal Reserve or an agency of the federal government through the FDIC, FSLIC, NCUA and/or held in a safekeeping account by pledged securities through a third party Custodial Bank.

**Risk Management.** The County is self-insured for risk exposures related to worker's compensation claims, general and automobile liability claims, and also in its Employee Health Benefit Plan. Times of unfortunate health circumstances within membership will adversely affect the financial stability of a self-insured entity's fund. Claims settlement and loss expenses are accrued in the Employee Health Benefit Plan Fund for the estimated settlement value of claims reported and unreported arising from incidents during the period. All claims handling procedures are performed by an independent claims administrator. The County levies for a liability reserve property tax, recorded in the Liability Insurance or Tort Liability fund within these financial statements to provide for claims settlement and loss expenses for the estimated settlement value of worker's compensation, general liability, and auto liability claims reported and unreported arising from incidents during the year. The possibility of an independent Third Party Administrator being contracted to handle worker's comp claims is being considered for the future. The liability reserve is in exception to the long term portion of such estimated claim settlements which are recorded until spendable resources become available to liquidate such liabilities.

**Pension and other Post-employment Benefits.** Rock Island County participates in a defined benefit pension plan through the Illinois Municipal Retirement Fund, which provides retirement benefits for all officials and employees of the County whose position normally requires at least 1000 hours of service per year. These benefits are paid in addition to social security benefits. The County also provides for postretirement health care benefits to employees under the required provisions. Additional information on Rock Island County's pension and post-employment benefits can be found in the notes to the financial statements.

**Awards and Acknowledgements.** The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Rock Island County for its comprehensive annual financial report (CAFR) for the fiscal year ended November 30, 2013. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staffs of the Auditor's Office and the Treasurer's Offices. Credit also should be given to the Bi-State Regional Commission for providing the statistics used in this report. We also wish to express our appreciation for the excellent assistance received from our independent auditors McGladrey LLP. Acknowledgement must also be given to the County Board for their support for maintaining the highest standards of professionalism in the management of Rock Island County finances.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'April L. Palmer', with a large, stylized initial 'A'.

April L Palmer  
Rock Island County Auditor



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Rock Island County  
Illinois**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**November 30, 2013**



Executive Director/CEO

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## Independent Auditor's Report

To the County Board of  
Rock Island County, Illinois  
Rock Island, Illinois

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Rock Island County, Illinois (the County) as of and for the year ended November 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit, the Rock Island Tri-County Consortium. We did not audit the blended component unit, the Forest Preserve Commission, a major governmental fund, which represents 13 percent, 14 percent and 8 percent, respectively of the assets, net position and revenues of the governmental activities. We did not audit the blended component unit, the Public Building Commission, which represents 7 percent, 9 percent, and 4 percent, respectively, of the assets, fund balance, and revenues of the aggregate remaining fund information and 2 percent, 2 percent, and 2 percent, respectively, of the assets, net position, and revenues of the governmental activities. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as it relates to the amounts included for the component units, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Public Building Commission and the Forest Preserve Commission were not audited in accordance with *Government Auditing Standards*.

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

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

## **Opinions**

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of November 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 13, Illinois Municipal Retirement Fund Information on pages 54 and 55, Other Postemployment Benefit Plan on page 56 and budgetary comparison information on pages 57 through 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and budget and actual schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described previously and the reports of the other auditors, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied by us and other auditors in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2015, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Davenport, Iowa  
April 30, 2015

## **Rock Island County, Illinois**

### **Management's Discussion and Analysis Year Ended November 30, 2014**

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As management of Rock Island County, we offer readers of Rock Island County's financial statements this narrative overview and analysis of the financial activities of Rock Island County for the fiscal year ended November 30, 2014. This discussion and analysis is designed to assist the reader in focusing on significant financial issues, identifying material deviations from the financial plan (approved budget), and identifying individual fund issues or concerns.

We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

#### **Financial Highlights**

The assets and deferred outflows of resources of Rock Island County, Illinois (the County) exceeded its liabilities and deferred inflows of resources by \$72,489,716 and \$75,707,996 (net position) at the close of fiscal years 2014 and 2013, respectively. Of this amount, \$(258,466) for fiscal year 2014 and \$2,600,835 for fiscal year 2013 may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net position decreased by \$3,218,280 and \$1,832,939 in fiscal years 2014 and 2013, respectively.

As of the close of this current fiscal year, the County's governmental funds reported combined ending fund balances of \$22,941,143, an increase of \$228,117 in comparison with the prior year. Approximately 13 percent of this total amount, \$3,011,152, is available for spending at the government's discretion (unrestricted fund balance) subject to the limitations imposed by the nature of the fund type.

Unrestricted fund balance for the General Fund was \$3,211,179 and \$3,330,268 or 13 percent and 13 percent of total General Fund expenditures for fiscal years ended 2014 and 2013, respectively.

The County's total long-term debt excluding compensated absences and estimated claims settlements, decreased by \$3,108,096 (11 percent) during fiscal year ended November 30, 2014. The decrease was a result of scheduled payments on debt.

As of the close of the fiscal year 2014, the Rock Island County Forest Preserve District's governmental funds reported combined ending fund balances of \$2,529,336, an increase of \$292,559 in comparison to prior year. Both bond principal and interest payments began 12/1/06. The current interest rate ranges from 3.7 percent to 5.1 percent. The future annual payments range from \$362,922 to \$531,519 and end on December 1, 2028. These payments will be made through increased revenue in the Rock Island County Forest Preserve District's General and Niabi Zoo funds.

Hope Creek Care Center entered into bonds issued 2006, 2007, and 2013 to build a new facility for the center in 2008. The first interest payments were due in 2007 with the first principal payment due on 12/1/09. The future annual payments range from \$1,581,000 to \$1,614,611 and will end on 12/1/27. These payments will be made through increased residency at the new facility generating higher revenue.

Rock Island County cost savings measures throughout fiscal year 2014 continued with not hiring replacement employees for retiree or resigned positions whenever possible and restricting increases for expense budgets without additional supporting revenue sources so as not to consume unencumbered fund balance and hopefully be able to increase it.

## Rock Island County, Illinois

### Management's Discussion and Analysis Year Ended November 30, 2014

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#### Overview of the Financial Statements

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

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

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

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

The County only has functions that are principally supported by taxes (governmental activities). The governmental activities of the County include general government, public safety, judiciary and legal, corrections, transportation and public works, social services and culture and recreation.

The government-wide financial statements include Rock Island County, Illinois and the discretely presented component unit, the Rock Island Tri-County Consortium. There are no other organizations or agencies whose financial statements should be combined and presented with the financial statements of the County.

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

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

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

## Rock Island County, Illinois

### Management's Discussion and Analysis Year Ended November 30, 2014

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The County maintains 40 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Forest Preserve Commission, Hope Creek Care Center and Illinois Municipal Retirement Fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for most of its funds. A budgetary comparison schedule has been provided as required supplementary information for the General Fund, Forest Preserve Commission Fund, Hope Creek Care Center Fund and Illinois Municipal Retirement Fund to demonstrate compliance with this budget on pages 57 through 60.

The basic governmental fund financial statements can be found on pages 18 through 24 of this report.

Proprietary funds: The County maintains one type of proprietary fund: Internal Service. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 25 through 27 of this report.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The fiduciary funds of the County are considered agency funds. Total assets of the fiduciary funds were \$10,076,758 and \$10,290,997 for fiscal years ended 2014 and 2013, respectively.

The basic fiduciary fund financial statements can be found on page 28 of this report.

Notes to basic financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's Illinois Municipal Retirement Fund, other postemployment benefit plan and the General, Forest Preserve Commission, Hope Creek Care Center Fund and Illinois Municipal Retirement Funds' budgetary comparisons. This information can be found on pages 54 through 62 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to basic financial statements and the required supplementary information.

### Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The County's total net position has decreased from a year ago. Table 1 reflects total net position of \$72,489,716, which represents a decrease from net position of \$75,707,996 during 2013.

## Rock Island County, Illinois

### Management's Discussion and Analysis Year Ended November 30, 2014

Of the County's net position, 76 percent and 74 percent for the fiscal years ended 2014 and 2013, respectively, reflect its investment in capital assets (e.g., land, construction-in-progress, buildings, improvements other than buildings, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

**Table 1 - Rock Island County, Illinois' Net Position**

	<b>Governmental Activities 2014</b>	<b>Governmental Activities 2013</b>
Current assets	<b>\$ 57,165,225</b>	<b>\$ 58,055,007</b>
Capital assets, net	<b>80,724,263</b>	<b>84,297,870</b>
<b>Total assets</b>	<b>137,889,488</b>	<b>142,352,877</b>
Deferred outflows of resources	<b>487,160</b>	<b>588,314</b>
Current liabilities outstanding	<b>12,427,839</b>	<b>32,623,050</b>
Other liabilities	<b>30,275,905</b>	<b>12,091,874</b>
<b>Total liabilities</b>	<b>42,703,744</b>	<b>44,714,924</b>
Deferred inflows of resources	<b>23,183,188</b>	<b>22,518,271</b>
Net position:		
Net investment in capital assets	<b>55,295,528</b>	<b>55,811,412</b>
Restricted for:		
Capital improvements	<b>6,003,424</b>	<b>5,767,453</b>
Collector's tax fees, sale & error refunds	<b>162,749</b>	<b>154,674</b>
Document storage	<b>2,531,334</b>	<b>2,685,955</b>
Working cash	<b>522,607</b>	<b>521,449</b>
GIS	<b>191,100</b>	<b>243,673</b>
Employee benefits	<b>862,412</b>	<b>422,814</b>
Judicial	<b>1,541,443</b>	<b>1,682,374</b>
Parks and recreation	<b>2,612,591</b>	<b>2,292,541</b>
Public health	<b>2,319,436</b>	<b>3,407,011</b>
Public safety	<b>109,588</b>	<b>105,763</b>
Liability	<b>595,970</b>	<b>12,042</b>
Unrestricted	<b>(258,466)</b>	<b>2,600,835</b>
<b>Total net position</b>	<b>\$ 72,489,716</b>	<b>\$ 75,707,996</b>

A restricted portion of the County's net position (24 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$(258,466), may be used to meet the government's ongoing obligations to citizens and creditors.

## Rock Island County, Illinois

### Management's Discussion and Analysis Year Ended November 30, 2014

The County's total net position decreased by \$3,218,280 during the current fiscal year. This decrease was mainly attributable to a largely outdated useful life schedule for capitalizing road and culvert work. Post resurfacing or repair projects were given a much higher life so now when the work is being repeated, supposedly years too soon, we had to take huge losses largely increasing depreciation expenses. This also reduced the dollar amount of capital projects in existence. Non-County owned roads and culverts were incorrectly recorded as capital assets in 2013, but corrected in 2014. An updated useful life schedule will be utilized to prevent this from occurring in the future.

Table 2 highlights the County's revenues and expenses for the fiscal year ended November 30, 2014. These two main components are subtracted to yield the change in net position. This table utilizes the full accrual method of accounting.

Revenue is further divided into two major components: program revenue and general revenue. Program revenue is defined as charges for services and sales and services, operating grants and contributions and capital grants and contributions. General revenue includes taxes, investment income and other unrestricted revenue sources.

**Table 2 - Rock Island County, Illinois' Changes in Net Position**

	Governmental Activities 2014	Governmental Activities 2013
Revenues:		
Program revenues:		
Charges for services	\$ 26,616,352	\$ 29,499,685
Operating grants and contributions	13,847,910	13,000,156
Capital grants and contributions	59,552	394,893
General revenues:		
Property taxes	24,732,827	21,830,000
Intergovernmental revenue	9,458,293	9,135,518
Investment earnings	92,718	88,643
Miscellaneous and gain on disposal of capital assets	1,997,679	313,912
<b>Total revenues</b>	<b>76,805,331</b>	<b>74,262,807</b>
Expenses:		
General government	15,020,507	14,211,912
Public safety	8,822,100	8,526,408
Corrections	4,894,231	4,882,400
Judiciary and legal	8,865,436	8,818,638
Transportation and public works	7,963,156	5,201,442
Social services	27,670,302	28,668,004
Culture and recreation	5,308,707	4,803,366
Debt service, interest on long-term debt	1,479,172	983,576
<b>Total expenses</b>	<b>80,023,611</b>	<b>76,095,746</b>
<b>Decrease in net position</b>	<b>(3,218,280)</b>	<b>(1,832,939)</b>
Net position, beginning	75,707,996	77,540,935
Net position, ending	<u><u>\$ 72,489,716</u></u>	<u><u>\$ 75,707,996</u></u>

## Rock Island County, Illinois

### Management's Discussion and Analysis Year Ended November 30, 2014

General government expenses increased approximately \$808,600 or 6 percent. This is primarily due to extra funds from a new hotel were available to be spent in 2014 on tourism in the County including transfers to Niabi Zoo. A new grant was received for floodplain buy-outs including the administration of such, increasing expenses for the management of property bought. Various settlements and attorney fees as well as rising worker's compensation costs increased expenses in the Liability Insurance Fund.

Public safety expenses increased approximately \$295,700 or 3 percent. Primarily to increase security to the appropriate levels the jail and justice center installed a new camera security system finished as over a quarter million dollars. Also, contracted employee wage increases were granted during the fiscal year.

Transportation and public works expenses increased approximately \$2,762,000 or 53 percent. This is primarily due to county aid and other projects beginning in fiscal year 2014 expending saved funds in Bridge and Motor Fuel Tax. New grants were received from the Illinois Department of Transportation expended directly to recipient agencies during the County fiscal year. It was discovered some road and culverts repairs were being depreciated at an outdated life expectancy rate to the point additional repairs caused a huge loss during 2014 to make the corrected useful life for those repairs. Depreciation expense was increased considerably to accomplish this correction.

Social services expenses decreased approximately \$997,700 or 3 percent. This is primarily due to Mental Health Agency assistance being down over \$200,000 in fiscal year 2014 vs. 2013. Health Department property tax increase provided for employee contracted raises and extra expenses in 2014. Therefore, extra services were able to be performed. Grant funds available to the Workforce Investment Group were decreased almost a half million dollars, therefore, directly decreasing expenses by the same.

Debt service expenses increased approximately \$495,600 or 50 percent. This is primarily due to timing of bond payments due on the first day of the County's fiscal year creating the effect of less expenses in the prior year and double in the next when really it was only a couple days difference.

Table 3 below discloses cost of services for Governmental Activities. The total cost of services column contains all costs related to the programs and the net cost column shows how much of the total amount is not covered by program revenues. Succinctly put, net costs are costs that must be covered by local taxes or other general revenue or transfers.

**Table 3**

Programs	Total Cost of Services 2014	Net Revenue (Expense) of Services 2014
General government	\$ 15,020,507	\$ (9,869,464)
Public safety	8,822,100	(6,081,497)
Corrections	4,894,231	(2,972,929)
Judiciary and legal	8,865,436	(6,005,573)
Transportation and public works	7,963,156	(4,788,639)
Social services	27,670,302	(5,739,637)
Culture and recreation	5,308,707	(2,562,886)
Debt service, interest on long-term debt	1,479,172	(1,479,172)
<b>Total</b>	<b>\$ 80,023,611</b>	<b>\$ (39,499,797)</b>

Net cost of services is 49 percent of total cost of services in 2014. This reflects a continued reliance on taxes and other general revenue sources to fund the cost of services.

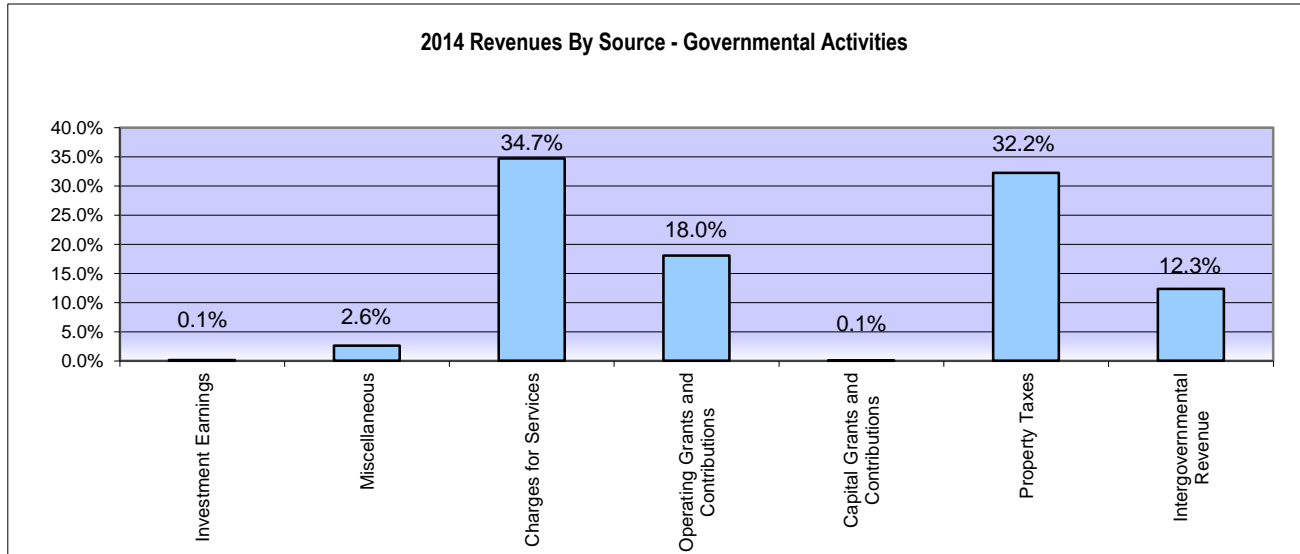
## Rock Island County, Illinois

### Management's Discussion and Analysis Year Ended November 30, 2014

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#### Governmental Activities

The graph below shows the percentage of the total governmental activities revenues allocated by each revenue type for the year ended November 30, 2014.



#### Financial Analysis of the Government's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds:** The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$22,941,143, an increase of \$228,117 in comparison with the prior year. Approximately 13 percent of this total amount, \$3,011,152, constitutes unrestricted fund balance, which is available for spending at the government's discretion subject to the limitations imposed by the nature and purpose of fund type.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, the unrestricted fund balance of the General Fund was \$3,211,179 while total fund balance reached \$4,376,034. As a measure of the General Fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to fund expenditures. Unrestricted fund balance represents 13 percent of total General Fund expenditures, while total fund balance also represents approximately 18 percent of that same amount.

The County's General Fund fund balance decreased by \$212,902 during the current fiscal year. Key factors in this decrease are:

- Continued revenue sources taken away by the State of Illinois. Examples include inheritance tax revenue and replacement revenue.
- Many funds dependent on General Fund supplements were again more dependent this year due to increased salaries and associated costs with no additional revenue to offset these increased costs. The Child Welfare costs were extremely high and are covered solely by the General Fund.

## Rock Island County, Illinois

### Management's Discussion and Analysis Year Ended November 30, 2014

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- Revenue from fees and services were not as expected to meet expense needs and actually decreased even more this year than in the last.
- Despite expenses actually being a bit lower than the previous year the larger reduction in revenue caused the decrease in fund balance.

The Forest Preserve Commission Fund has a total fund balance of \$2,529,336 for 2014 and \$2,236,777 for 2013. The net increase in fund balance during the current year was \$292,559. The increase is due to many funds such as Marvin Martin trust receiving a large contribution to spend in future years. IMRF and FISSA funds increased property tax and the building of fund balance within the Zoo improvement fund also to spend in future years. The Niabi Zoo fund had increased fund balance due to a raise in property tax and fees for service. There was also a large increase in the receipt of hotel/motel tax this year over last.

The Hope Creek Care Center Fund has a total fund balance of \$503,717 for 2014 and \$1,692,087 for 2013. The net decrease in fund balance during the current year was \$1,188,370. Fee revenue is down over \$500,000 from previous year. That with the correction of bond principal and interest payment timing created the need for double payments on some bond issues. This overall bond expense increased in 2014 more than two million dollars. If you include the decrease in other expenses and increase in other revenue sources this accounts for the decrease in fund balance for the year.

The Illinois Municipal Retirement Fund has a total fund balance of \$1,607,451 for 2014 and \$1,085,718 for 2013. The net increase in fund balance during the current year was \$521,733 and necessary to carry this fund through the over 6 month period each year when no property taxes are collected, which is this fund's revenue source.

### General Fund Budgetary Highlights

Differences between the original budget and the final amended budget for the General Fund can be summarized as follows:

- The total original revenue budget of \$23,959,568, excluding transfers in, was increased to \$24,116,488 (an increase of \$156,920). Therefore in keeping with County policy of not over stating revenues, grants that are new, unanticipated for sure or covering multiple years are not budgeted. Then upon receipt the corresponding expense is budgeted as well. So the increase is due to:
  - A grant awarded to pass to an external program through the County for Illinois Disaster Recovery from the US Department of Housing and Urban Development.
  - Additional Sheriff Justice Assistance grant revenue being awarded, as lead administrator to the grant and additional State Criminal Alien Assistance funds received.
  - A grant from the State Board of Elections that originated with the US Election Commission awarded to the County Clerk's Office to run and implement new laws in elections and vital records.

Variances in the final budgeted revenues over actual revenues totaling \$1,253,626 were due to various fees revenues coming in largely under anticipated, only collecting about 75 percent of revenue budgeted such as Circuit Clerk fees & fines, Recorder fees and County Clerk fees. Hope Creek Care Center did not have sufficient cash this year to transfer administration costs charged to reimburse the General Fund. Probation Service Fee did not have a shortage of salary reimbursement to the General Fund therefore not needing the planned transfer supplement. Therefore, these came in under budget by far. Civil processing fees came in only at 50 percent of budget this fiscal year as well.

## Rock Island County, Illinois

### Management's Discussion and Analysis Year Ended November 30, 2014

Variances in actual expenditures under final budget total \$1,439,603. This was due to cost saving in several departments through retirements and not replacing some positions right away, or replacing at much lower a wage at the starting rate of pay. Second due to the failure of the resolution for the project to build a new courthouse not all of the allocated budget and related loan money was spent. \$280,000 was saved due to lower than expected transfers to COPS and Court Security funds and for the jail security system that was paid out of the Liability Insurance Fund. Therefore, this expense budget in the General Fund was a duplicate. Due to lower than expected Records fee revenue, there were lower transfers to Records Document and GIS funds. New rules from the Illinois Department of Transportation required a previously General Fund budgeted grant to be moved to its own fund. The Sheriff's Department managed to reduce some of its budget for professional services and outside contracts in their corrections, maintenance and radio sub-departments.

#### Capital Asset and Debt Administration

**Capital assets:** The County's investment in capital assets for its governmental activities amounted to \$80,724,263 and \$84,297,870 (net of accumulated depreciation) as of November 30, 2014 and 2013, respectively. This investment in capital assets includes land, construction-in-progress, buildings, improvements other than buildings, equipment and infrastructure.

Major capital assets additions for the year include a \$476,103 grant funded buyout of River Oaks Mobile Home Park which was located in a floodplain and \$159,764 of a \$269,120 project to upgrade the jail video surveillance system. Road resurfacing projects with a depreciated value of \$1,265,018 were written off as the harsh winters caused them to be resurfaced again well ahead of their estimated lives for depreciation.

**Table 4 - Rock Island County, Illinois' Capital Assets**

	Governmental Activities	
	2014	2013
Land	\$ 6,567,011	\$ 5,834,346
Construction-in-progress	747,997	268,119
Buildings	56,744,044	56,710,021
Improvements other than buildings	92,909	92,909
Equipment	13,595,058	13,288,633
Infrastructure	59,858,664	63,316,719
Accumulated depreciation	(56,881,420)	(55,212,877)
<b>Total</b>	<b>\$ 80,724,263</b>	<b>\$ 84,297,870</b>

Additional information on the County's capital assets can be found in Note 6 of this report.

**Debt:** The County had revenue bonds outstanding totaling \$4,360,000 and \$5,185,000, and general obligation bonds outstanding totaling \$21,270,000 and \$23,505,000, as of November 30, 2014 and 2013, respectively. The County paid \$3,060,000 in principal and \$1,479,172 in interest on outstanding debt. Additional information about the County's long-term debt can be found in Note 7 to the financial statements.

**Table 5 - Rock Island County, Illinois' Outstanding Debt, November 30**

	2014	2013	Maturity
Governmental activities:			
General obligation bonds	\$ 21,270,000	\$ 23,505,000	2027
Revenue bonds	4,360,000	5,185,000	2019

## **Rock Island County, Illinois**

### **Management's Discussion and Analysis Year Ended November 30, 2014**

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#### **Economic Factors and Next Year's Budgets and Rates**

The 2015 fiscal year budget is based on a decrease in Assessed Valuation of approximately \$6,384,403. This projection means the County's tax extension rate will increase by 0.03 percent to make up for this decrease. However, this extremely small increase in property tax revenue will not be enough to cover estimated losses of other revenue sources, expense increases and other tax decreases; therefore, the 2015 budget expenditures will require the use of unencumbered fund balance in the amount of \$1,312,487 with predicted revenues to balance the budget for the year.

In the 2015 fiscal year and continuing into future fiscal years, the goal is to pass a balanced budget without the utilization of unencumbered fund balance, particularly focused on General Fund, and to minimize employee and service impacts. In the 2015 budget meetings, it was decided to eliminate some positions in the general fund as retirements occurred. The County Board determined that a new early retirement incentive would encourage more opportunity to do this, so one was enacted for the one year period of 7/31/14-7/30/15. Many eligible employees began plans to take this offer even before the end of 2014 so it is looking hopeful as a successful plan into the 2015 fiscal year.

An agreement was reached between the County Board and AFSCME union to postpone the contractual general wage increase from the first day of the fiscal year of 2014 to the last. Concurrently all non-union employees were scheduled to forgo a raise all together in 2014. This created the occurrence, however, of almost all general fund employees receiving a 2 percent GWI on 11/30/14 and just a day later on 12/1/14 (fiscal year 2015) receiving another 2 percent GWI. This is believed will increase expenses in 2015 so much that revenues would not be able to sustain them alone. Another reason unencumbered fund balance is needed.

Also, the County Board ordered a fee study to be done in the Recorder's department as well as for the administrative cost reimbursements to the General Fund. Recorder fees were increased as well as Recorder Document and GIS portions of these fees beginning in the 2015 fiscal year. However, all administrative fees owed to the General Fund were reduced so that overall the General Fund revenue will probably remain the same as 2014. The Board wants to continue to become more fiscally responsible through development of new policies, so work began on overall rewrites of all policies. After new policies are put in place the Board will be committed to periodic reviews of each part to update and correct on a constant basis.

The County Board adopted the new government structure to hire a County Administrator. This position will be installed in fiscal year 2015. The contractual obligations will include economic development expertise to the county. Also of high priority is bonding and grant knowledge to decrease bond interest due and increase grant revenue. The position will take a professional approach to the county's budget as well. The county hopes the new approach may bring insight and policy improvements so to operate as the client it serves have become accustomed.

Total Funds available for all funds in the 2015 fiscal year total \$92,937,959 at budget time including unencumbered fund balance. Budgeted expenditures total \$73,066,893 at the time of preparing the 2015 fiscal year budget. If these estimates were to hold true, it would result in an overall County unencumbered balance of \$19,871,066.

As the County is self-insured, employees with serious health issues negatively impact expenses, so keeping a constant watch on these expenses throughout the year is necessary. Two union contracts were up for negotiations at the end of the 2012 fiscal year and were not able to be settled through the course of the 2013 fiscal year. An additional contract expires the end of the 2013 fiscal year which will begin negotiations in 2014. All others will be negotiated in 2015. These may have an impact on the FY15 budget as contracts are settled, and salaries & benefits potentially adjusted.

## **Rock Island County, Illinois**

### **Management's Discussion and Analysis Year Ended November 30, 2014**

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During fiscal year 2013, the County Board's referendum question on the ballot to provide options of funding sources to care for the County's deteriorating buildings, specifically the Courthouse, in the near future, failed. The County Board has tabled the issue and paid back the loan outstanding to the courts in 2014, but plans deliberations to begin again in 2015. They moved focus to a new public safety sales tax referendum question on the primary ballot in 2014. This would generate approximately \$3,700,000.00 additional tax revenue. This too failed and was needed to support the General Fund expenses necessary to continue to operate at the current level of public service into the future with predicted increases in wages and costs of goods purchased and a depleting fund balance. The Board also talked of a future resolution to place a referendum question on the ballot to temporarily increase property tax revenue to Hope Creek Care Center while permanent long-term options are explored to continue as a County owned facility. This is under the same circumstances of anticipated increases in wages and costs of goods purchased, and also a depleting fund balance. This referendum also failed, so the Board is listening to the people and will be deliberating options from running it as is to selling it into the 2015 budget year.

#### **Requests for Information**

These financial statements and discussions are designed to provide our citizens, taxpayers, investors and creditors with a complete disclosure of the County's finances and to demonstrate a high degree of accountability for the public dollars entrusted to us. If you have questions about this report or need additional information, please write April Palmer, County Auditor, Rock Island County Office Building at 1504 Third Avenue, Rock Island, Illinois 61201.

# Rock Island County, Illinois

## Statement of Net Position November 30, 2014

	Primary Government Governmental Activities	Component Unit Rock Island Tri-County Consortium
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 23,517,451	\$ 47,142
Receivables:		
Property taxes	25,249,607	-
Accounts, net allowance for uncollectibles of \$1,015,652	1,791,850	-
Accrued interest	9,233	-
Due from other governments, net allowance for uncollectibles of \$1,784,348	5,668,454	93,781
Other assets	928,630	-
<b>Total current assets</b>	<b>57,165,225</b>	<b>140,923</b>
Noncurrent assets:		
Capital assets:		
Nondepreciable:		
Land	6,567,011	-
Construction-in-progress	747,997	-
Depreciable:		
Buildings	56,744,044	-
Improvements other than building	92,909	-
Equipment	13,595,058	368,769
Infrastructure	59,858,664	-
Less accumulated depreciation	(56,881,420)	(352,292)
<b>Total capital assets</b>	<b>80,724,263</b>	<b>16,477</b>
<b>Total noncurrent assets</b>	<b>80,724,263</b>	<b>16,477</b>
<b>Total assets</b>	<b>137,889,488</b>	<b>157,400</b>
<b>Deferred Outflows of Resources</b>		
Deferred charge on refunding	487,160	-

See Notes to Basic Financial Statements.

	Primary Government	Component Unit
	Governmental	Rock Island Tri-County
	Activities	Consortium
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	\$ 3,423,698	\$ 156,100
Current portion of estimated claims settlements	735,016	-
Accrued liabilities	2,075,570	5,473
Due to other governmental units	828	-
Unearned revenue	1,308,858	-
Compensated absences	2,733,869	15,144
Current portion of general obligation bonds	1,315,000	-
Current portion of revenue bonds payable	835,000	-
Other liabilities	-	7,043
<b>Total current liabilities</b>	<b>12,427,839</b>	<b>183,760</b>
Noncurrent liabilities:		
Estimated claims settlements	684,500	-
Other postemployment benefits obligation	4,007,383	51,400
IMRF pension obligation	1,818,127	158,829
General obligation bonds, net bond premiums and discounts	20,203,475	-
Revenue bonds payable, net bond premiums	3,562,420	-
<b>Total noncurrent liabilities</b>	<b>30,275,905</b>	<b>210,229</b>
<b>Total liabilities</b>	<b>42,703,744</b>	<b>393,989</b>
<b>Deferred Inflows of Resources</b>		
Unavailable revenue - property taxes	23,183,188	14,853
<b>Net Position (Deficit)</b>		
Net investment in capital assets	55,295,528	16,477
Restricted for:		
Capital improvements	6,003,424	-
Collector's tax fees, sale and error refunds	162,749	-
Document storage	2,531,334	-
Working cash	522,607	-
GIS	191,100	-
Employee benefits	862,412	-
Judicial	1,541,443	-
Parks and recreation	2,612,591	-
Public health	2,319,436	-
Public safety	109,588	-
Liability	595,970	-
Donor requirements	-	1,164
Unrestricted (deficit)	(258,466)	(269,083)
<b>Total net position (deficit)</b>	<b>\$ 72,489,716</b>	<b>\$ (251,442)</b>

**Rock Island County, Illinois**

**Statement of Activities  
Year Ended November 30, 2014**

Functions/ Programs	Expenses	Program Revenues		
		Charges for Sales and Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ 15,020,507	\$ 5,098,498	\$ 52,545	\$ -
Public safety	8,822,100	1,831,926	908,677	-
Corrections	4,894,231	968,881	897,119	55,302
Judiciary and legal	8,865,436	2,694,147	165,716	-
Transportation and public works	7,963,156	96,661	3,077,856	-
Social services	27,670,302	13,631,237	8,299,428	-
Culture and recreation	5,308,707	2,295,002	446,569	4,250
Debt service, interest on long-term debt	1,479,172	-	-	-
Total governmental activities	\$ 80,023,611	\$ 26,616,352	\$ 13,847,910	\$ 59,552
Component Unit	\$ 2,038,199	\$ -	\$ 1,968,630	\$ -

**General Revenues**

Property taxes  
Intergovernmental revenue, unrestricted:  
    Replacement tax  
    Sales and use taxes  
    Income tax  
    Hotel/Motel taxes  
    Other taxes  
Investment earnings  
Miscellaneous  
**Total general revenues**  
Changes in net position  
Net position (deficit), beginning of year  
Net position (deficit), end of year

See Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Position	
Primary Government	Component Unit
Governmental Activities	Rock Island Tri-County Consortium
\$ (9,869,464)	\$ -
(6,081,497)	-
(2,972,929)	-
(6,005,573)	-
(4,788,639)	-
(5,739,637)	-
(2,562,886)	-
(1,479,172)	-
(39,499,797)	-
-	(69,569)
24,732,827	-
2,447,607	-
4,915,542	-
1,694,378	-
235,094	-
165,672	-
92,718	210
1,997,679	1,126
36,281,517	1,336
(3,218,280)	(68,233)
75,707,996	(183,209)
\$ 72,489,716	\$ (251,442)

# Rock Island County, Illinois

## Balance Sheet Governmental Funds November 30, 2014

Assets	Primary Government		
	General	Forest Preserve Commission	Hope Creek Care Center
Cash and cash equivalents	\$ 2,032,892	\$ 2,441,580	\$ 275,897
Receivables:			
Property taxes receivable	6,805,518	1,799,548	2,341,378
Accounts receivable, net allowance for uncollectibles of \$1,015,652	269,121	101,746	1,120,495
Accrued interest receivable	3,568	568	851
Due from other funds	106,948	-	88,905
Due from other governmental units, net allowance for uncollectibles of \$1,784,348	2,046,131	32,610	1,894,197
Other assets	74,292	-	3,839
Advances to other funds	562,850	-	-
<b>Total assets</b>	<b>\$ 11,901,320</b>	<b>\$ 4,376,052</b>	<b>\$ 5,725,562</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 593,023	\$ 514,543	\$ 716,243
Accrued liabilities	437,610	99,464	125,093
Due to other funds	24,040	-	142,462
Due to other governmental units	6	-	-
Unearned revenues	65,270	-	37,460
Advances from other funds	-	-	396,850
<b>Total liabilities</b>	<b>1,119,949</b>	<b>614,007</b>	<b>1,418,108</b>
Deferred inflows of resources:			
Unavailable revenue - property taxes	5,890,755	1,232,709	2,252,529
Unavailable revenue - intergovernmental	514,582	-	1,551,208
<b>Total deferred inflows of resources</b>	<b>6,405,337</b>	<b>1,232,709</b>	<b>3,803,737</b>
Fund balances:			
Nonspendable	637,142	-	3,839
Restricted	527,713	2,529,336	499,878
Assigned	-	-	-
Unassigned	3,211,179	-	-
<b>Total fund balances</b>	<b>4,376,034</b>	<b>2,529,336</b>	<b>503,717</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 11,901,320</b>	<b>\$ 4,376,052</b>	<b>\$ 5,725,562</b>

See Notes to Basic Financial Statements.

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Primary Government		
Illinois Municipal Retirement	Nonmajor Governmental	Total
\$ 1,987,985	\$ 14,425,433	\$ 21,163,787
3,524,567	10,778,596	25,249,607
-	299,261	1,790,623
440	3,438	8,865
-	33,258	229,111
-	1,656,962	5,629,900
-	13,493	91,624
-	431,850	994,700
<u>\$ 5,512,992</u>	<u>\$ 27,642,291</u>	<u>\$ 55,158,217</u>

\$ 288,082	\$ 1,034,479	\$ 3,146,370
217,459	433,553	1,313,179
-	143,538	310,040
-	822	828
-	748,010	850,740
-	597,850	994,700
<u>505,541</u>	<u>2,958,252</u>	<u>6,615,857</u>

3,400,000	10,407,195	23,183,188
-	352,239	2,418,029
<u>3,400,000</u>	<u>10,759,434</u>	<u>25,601,217</u>

-	13,493	654,474
1,607,451	14,106,412	19,270,790
-	4,727	4,727
-	(200,027)	3,011,152
<u>1,607,451</u>	<u>13,924,605</u>	<u>22,941,143</u>

<u>\$ 5,512,992</u>	<u>\$ 27,642,291</u>	<u>\$ 55,158,217</u>
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## Rock Island County, Illinois

### Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position November 30, 2014

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Total governmental fund balances \$ 22,941,143

Amounts reported for governmental activities are not financial resources and, therefore, are not reported in the funds:

Land	\$ 6,110,199	
Construction-in-progress	747,997	
Buildings	56,030,130	
Equipment	13,570,966	
Infrastructure	59,858,664	
Accumulated depreciation	<u>(56,719,674)</u>	79,598,282

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred inflows in the funds:

Unavailable revenue in the funds	2,471,468
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The internal service funds are used by management to charge the costs of self-funding the County's health insurance benefit plans and costs associated with the Public Building Commission. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position:

Current assets	3,230,819	
Internal balances	80,929	
Capital assets, net	1,125,981	
Current liabilities	<u>(2,286,292)</u>	2,151,437

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Estimated claims settlements	(684,500)	
Compensated absences	(2,733,869)	
Other postemployment benefits obligation	(4,007,383)	
IMRF pension obligation	(1,818,127)	
Bond premium, net	(309,984)	
Bond discount, net	24,089	
Deferred charge on refunding, net	487,160	
General obligation bonds	(21,270,000)	
Revenue bonds payable	<u>(4,360,000)</u>	(34,672,614)

<b>Net position of governmental activities</b>	<b>\$</b>	<b><u>72,489,716</u></b>
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See Notes to Basic Financial Statements.

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**Rock Island County, Illinois**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year Ended November 30, 2014**

	Primary Government		
	General	Forest Preserve Commission	Hope Creek Care Center
Revenues:			
Fees	\$ 5,763,071	\$ 2,047,588	\$ 15,357,264
Property taxes	6,602,071	2,557,925	2,378,109
Intergovernmental	10,423,583	446,569	42,540
Investment earnings	27,268	7,972	5,458
Miscellaneous	49,002	1,002,779	108
<b>Total revenues</b>	<b>22,864,995</b>	<b>6,062,833</b>	<b>17,783,479</b>
Expenditures:			
Current:			
General government	6,859,454	-	-
Public safety	6,212,575	-	-
Corrections	4,234,157	-	-
Judiciary and legal	7,047,116	-	-
Transportation and public works	-	-	-
Social services	-	-	15,959,395
Culture and recreation	-	4,591,630	-
Capital outlay	309,921	662,451	45,140
Debt service:			
Principal	-	300,000	1,935,000
Interest	-	228,071	1,032,314
<b>Total expenditures</b>	<b>24,663,223</b>	<b>5,782,152</b>	<b>18,971,849</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>(1,798,228)</b>	<b>280,681</b>	<b>(1,188,370)</b>
Other financing sources (uses):			
Transfers in	1,591,629	-	-
Transfers out	(467,998)	-	-
Proceeds from sale of capital assets	461,695	11,878	-
<b>Total other financing sources (uses)</b>	<b>1,585,326</b>	<b>11,878</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(212,902)</b>	<b>292,559</b>	<b>(1,188,370)</b>
Fund balances, beginning of year	4,588,936	2,236,777	1,692,087
Fund balances, end of year	<b>\$ 4,376,034</b>	<b>\$ 2,529,336</b>	<b>\$ 503,717</b>

See Notes to Basic Financial Statements.

Primary Government		
Illinois Municipal Retirement	Nonmajor Governmental	Total
\$ -	\$ 3,295,517	\$ 26,463,440
3,330,637	9,864,085	24,732,827
-	10,343,804	21,256,496
2,903	40,756	84,357
-	1,336,868	2,388,757
3,333,540	24,881,030	74,925,877
2,800,992	3,855,120	13,515,566
-	1,765,841	7,978,416
-	65,379	4,299,536
-	1,409,413	8,456,529
-	5,560,272	5,560,272
-	8,322,325	24,281,720
-	-	4,591,630
-	966,233	1,983,745
-	825,000	3,060,000
-	216,510	1,476,895
2,800,992	22,986,093	75,204,309
532,548	1,894,937	(278,432)
-	958,902	2,550,531
(10,815)	(2,038,742)	(2,517,555)
-	-	473,573
(10,815)	(1,079,840)	506,549
521,733	815,097	228,117
1,085,718	13,109,508	22,713,026
\$ 1,607,451	\$ 13,924,605	\$ 22,941,143

## Rock Island County, Illinois

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended November 30, 2014

Net change in fund balances - governmental funds		\$	228,117
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the detail of capital outlay and the amount by which capital outlays exceeded depreciation in the current year:			
Capital outlay			1,854,135
Depreciation:			
General government	\$	(223,260)	
Public safety		(231,429)	
Corrections		(607,820)	
Judiciary and legal		(110,272)	
Transportation and public works		(1,551,927)	
Social services		(604,685)	
Culture and recreation		(677,855)	(4,007,248)
The net effect of various miscellaneous transactions involving capital assets:			
Capital contributions		59,552	
Capital assets donated by the County to an outside entity		(28,653)	
Loss on disposal of capital assets		(1,207,890)	
Proceeds from sale of capital assets		(473,573)	(1,650,564)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds			(1,917,748)
Commodities inventory is not a financial resource in governmental funds. Commodities used are reported as expenses and commodities donated are reported as revenue in the statement of activities:			
Commodity grant revenue			2,239,483
Commodity grant expenditures			(2,239,483)
The issuance of long-term debt (e.g., bonds and notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of discounts and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds an interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:			
Repayment of debt principal			3,060,000
Bond premium amortization			50,923
Bond discount amortization			(2,827)
Deferred amount on refunding amortization			14,669
Deferred charge on refunding amortization			(65,042)

(Continued)

**Rock Island County, Illinois**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities (Continued)  
Year Ended November 30, 2014**

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Internal service funds net change	\$ (8,646)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Change in claims payable	(294,208)
Change in compensated absences	36,902
Change in other postemployment benefits obligation	(360,522)
Change in IMRF pension obligation	(156,221)
<b>Change in net position of governmental activities</b>	<b>\$ (3,218,280)</b>

See Notes to Basic Financial Statements.

## Rock Island County, Illinois

### Statement of Net Position Governmental Activities - Internal Service Funds November 30, 2014

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#### Assets

##### Current assets:

Cash and cash equivalents	\$ 2,353,664
Receivables:	
Accounts	1,227
Interest	368
Due from other funds	80,929
Due from other governmental units	38,554
Other assets	837,006
<b>Total current assets</b>	<b>3,311,748</b>

##### Noncurrent assets:

##### Capital assets:

Nondepreciable, land	456,812
Depreciable:	
Equipment	24,092
Improvements other than buildings	92,909
Buildings	713,914
Less accumulated depreciation	(161,746)
<b>Total capital assets</b>	<b>1,125,981</b>
<b>Total assets</b>	<b>4,437,729</b>

#### Liabilities

##### Current liabilities:

Accounts payable	277,328
Estimated claims settlement	716,000
Accrued liabilities	781,407
Unearned revenue	511,557
<b>Total liabilities</b>	<b>2,286,292</b>

#### Net position

Investment in capital assets	1,125,981
Unrestricted	1,025,456
<b>Total net position</b>	<b>\$ 2,151,437</b>

See Notes to Basic Financial Statements.

**Rock Island County, Illinois**

**Statement of Revenues, Expenses and Changes in Net Position**  
**Governmental Activities - Internal Service Funds**  
**Year Ended November 30, 2014**

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Operating revenues:	
Charges for services	\$ 9,299,562
Other	153,895
<b>Total operating revenue</b>	<u>9,453,457</u>
Operating expenses:	
Other services and charges	9,410,996
Depreciation expense	26,492
<b>Total operating expenses</b>	<u>9,437,488</u>
<b>Operating income</b>	15,969
Nonoperating revenue, investment earnings	<u>8,361</u>
<b>Income before transfers</b>	24,330
Transfers out	<u>(32,976)</u>
<b>Change in net position</b>	(8,646)
Total net position, beginning of year	2,160,083
Total net position, end of year	<u><u>\$ 2,151,437</u></u>

See Notes to Basic Financial Statements.

**Rock Island County, Illinois**

**Statement of Cash Flows**  
**Governmental Activities - Internal Service Funds**  
**Year Ended November 30, 2014**

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Cash flows from operating activities:	
Cash received from employee contributions and other charges	\$ 7,845,214
Cash received from other operating revenue	153,895
Cash payments for claims	(7,637,436)
Cash received for jail lease	1,509,504
Cash payments for jail lease	(1,005,042)
Cash payments for jail operations	(490,535)
<b>Net cash provided by operating activities</b>	<b>375,600</b>
Cash flows from noncapital financing activities:	
Interfund proceeds	(81,154)
Transfers out	(32,976)
<b>Net cash (used in) noncapital financing activities</b>	<b>(114,130)</b>
Cash flows from capital and related financing activities, purchase of property	(256,562)
Cash flows from investing activities, interest received	8,379
<b>Net increase in cash</b>	<b>13,287</b>
Cash:	
Beginning	2,340,377
Ending	<u><u>\$ 2,353,664</u></u>
Reconciliation of operating income to net cash from operating activities:	
Operating income	\$ 15,969
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	26,492
(Increase) decrease in:	
Receivables	20,949
Due from other governmental units	(27,834)
Other assets	52,271
Increase (decrease) in:	
Accounts payable	185,940
Accrued liabilities	59,568
Unearned revenue	42,245
<b>Net cash provided by operating activities</b>	<b><u><u>\$ 375,600</u></u></b>

See Notes to Basic Financial Statements.

**Rock Island County, Illinois**

**Statement of Assets and Liabilities**  
**Agency Funds**  
**November 30, 2014**

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**Assets**

Cash and cash equivalents	\$	9,620,330
Receivables:		
Accounts receivable		118,963
Accrued interest receivable		337,465
<b>Total assets</b>	<b>\$</b>	<b>10,076,758</b>

**Liabilities**

Due to other governmental units	\$	6,085,771
Due to individuals and private entities		3,990,987
<b>Total liabilities</b>	<b>\$</b>	<b>10,076,758</b>

See Notes to Basic Financial Statements.

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## Rock Island County, Illinois

### Notes to Basic Financial Statements Year Ended November 30, 2014

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#### **Note 1. Nature of Operations, Reporting Entity, Basis of Presentation and Significant Accounting Policies**

##### **Nature of operations:**

The County provides many functions and services to citizens, including law enforcement, health and social services, planning and zoning and general administrative services.

##### **Reporting entity:**

Rock Island County, Illinois (County) is a municipal entity governed by a 25-member board. As required by accounting principles generally accepted in the United States of America, these basic financial statements present Rock Island County, Illinois and its blended component units (the primary government) and its discretely presented component unit (the Rock Island Tri-County Consortium). The Rock Island Tri-County Consortium (Consortium) is presented in a separate column to emphasize that it is legally separate from the County. The Rock Island County board, acting on its own behalf and on behalf of the boards of Mercer County, Illinois and Henry County, Illinois, appoints the board of the Private Industry Council which governs the Consortium. In addition, the sole source of the Consortium's financial resources is Workforce Investment Act funds granted to the County by the Illinois Department of Commerce and Community Affairs and administered by the Consortium. The Consortium operates on a June 30 fiscal year. The basic financial statements of the County include the financial statements of the Consortium as of and for the year ended June 30, 2014. The financial statements of the Rock Island Tri-County Consortium can be obtained from its administrative office at 1504 Third Avenue, Rock Island, Illinois 61201.

These financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) that apply to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The financial statements of the following entities are included as part of the primary government for the reasons indicated:

Forest Preserve District, Rock Island County, Illinois (District): The District provides a broad range of services to citizens of the County, including the operation of Niabi Zoo, Loud Thunder Park, Illiniwek Park and Indian Bluff Park and Golf Course. Although it is legally separate from the County, the District is reported as if it were part of the primary government because the members of the District's board are the same as the County's board and are able to impose their will on the District. The District operates on a June 30 fiscal year. The basic financial statements of the County include the funds of the District in the special revenue fund type as of and for the year ended June 30, 2014. Complete financial statements of the District can be obtained from the District's administrative office at 1504 Third Avenue, Rock Island, Illinois 61201.

Public Building Commission, Rock Island County, Illinois (PBC): The PBC was formed for the purpose of providing a new jail for the use of the County. Although it is legally separate from the County, the PBC is reported as if it were part of the primary government because all of the PBC board members are appointed by the County board and the PBC's sole purpose is to finance and construct the County's jail. The PBC operates on a June 30 fiscal year. The basic financial statements of the County include the funds of the PBC in the corrections function and as an internal service fund type as of and for the year ended June 30, 2014. Complete financial statements of the PBC can be obtained from its administrative office at 1504 Third Avenue, Rock Island, Illinois 61201.

## Rock Island County, Illinois

### Notes to Basic Financial Statements Year Ended November 30, 2014

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#### **Note 1. Nature of Operations, Reporting Entity, Basis of Presentation and Significant Accounting Policies (Continued)**

Related organization: The County's officials are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making such appointments. The County board chairman, or specific committees of the County board, appoint board members of the Bi-State Regional Commission, the Rock Island County Emergency Telephone System Board, the Rock Island County Merit Commission, the Illini Hospital District and various fire protection, conservancy and sanitary districts within the County. Such appointments do not constitute a majority of the board members of any such related organizations. Such related organizations are, therefore, excluded from the financial statements of the County.

#### **Basis of presentation:**

The County's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

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 nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. However, interfund services provided or used are not eliminated in the process of consolidation. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds (internal service) and fiduciary funds (agency), even though the latter are excluded from the government-wide financial statements. The focus of fund financial statements is on major funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

## Rock Island County, Illinois

### Notes to Basic Financial Statements Year Ended November 30, 2014

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#### Note 1. Nature of Operations, Reporting Entity, Basis of Presentation and Significant Accounting Policies (Continued)

Fund accounting: The accounts of the County are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues and expenditures or expenses, as appropriate. The County has the following fund types:

**Governmental fund types:** Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, the fund equity, is referred to as "fund balance." The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The County's major governmental funds are listed below.

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

Forest Preserve Commission Fund, a special revenue fund: To account for culture and recreation services provided to County citizens. The forest preserve is funded through property taxes and charges for culture and recreation services and is presented as major for public interest purposes.

Hope Creek Care Center Fund, a special revenue fund: To account for the activities of the County's nursing home facility and property tax revenue used to subsidize Hope Creek Care Center's shortfall in Medicare payments.

Illinois Municipal Retirement Fund, a special revenue fund: To account for property tax revenue used to provide retirement, disability and death benefits to employees.

**Proprietary fund types:** Proprietary fund types are used to account for a government's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon income determination, financial position and cash flows.

Proprietary funds are accounted for on the flow of economic resources, measurement focus and use the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. The County has the following proprietary fund types:

Internal Service Funds:

Employee Health Benefit Fund: accounts for the premium and claim payments for the self-insured health insurance plan for County employees.

Public Building Commission Fund: a blended component unit accounting for the activity of the County jail.

**Rock Island County, Illinois**

**Notes to Basic Financial Statements  
Year Ended November 30, 2014**

---

**Note 1. Nature of Operations, Reporting Entity, Basis of Presentation and Significant Accounting Policies (Continued)**

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

Amounts reported as program revenues in the government-wide financial statements include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collectible within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, other postemployment benefits and claims and judgments, are recorded only when payment is due.

Proprietary (internal service) funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's internal service fund is charged to internal customers for services and jail lease payments. Operating expenses for the proprietary funds include cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Significant accounting policies:**

Cash and cash equivalents: Cash and cash equivalents, which consist primarily of money market funds, are reported at amortized cost as determined by the fund's current share price. Available cash balances from all funds are combined and invested on a short-term basis. Earnings from these pooled investments are allocated monthly to the appropriate funds based on the average daily investment balances for each fund.

The County invests in the Illinois Funds Money Market Fund, which is an external investment pool and is not SEC registered. The Illinois Funds Money Market Fund is regulated by the State Treasurer's Office and, therefore, regulated by the comptroller of the currency for Collective Investment Funds. The fair value of the position in the external investment pools are recorded at amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940.

Statement of cash flows: For purposes of cash flows, the County considers all highly liquid investments, with a maturity of three months or less when purchased, to be cash equivalents.

Other assets: Included in other assets are inventories and prepaid items.

## Rock Island County, Illinois

### Notes to Basic Financial Statements Year Ended November 30, 2014

---

#### **Note 1. Nature of Operations, Reporting Entity, Basis of Presentation and Significant Accounting Policies (Continued)**

All inventories are carried at lower of cost or market (first-in, first-out). The consumption method of accounting is applied to the governmental fund type inventories.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Revenue recognition: In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. For derived tax revenues (i.e., sales taxes), revenues are recorded when the underlying exchange has occurred and the resources meet the liability criteria. For government-mandated or voluntary nonexchange transactions, revenues are recognized when all eligibility requirements have been met and the resources meet the availability criteria.

Licenses and permits, fines and forfeitures, charges for sales and services, and miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

Property tax revenue and receivable: The County's property tax is levied each year on all taxable real property located in the County on or before November 30. Property taxes attach as an enforceable lien on property as of the preceding January 1, at which time they are recognized. These taxes are due in four installments on June 6, August 6, September 6 and November 6 of the following year. Since the 2013 tax levy is budgeted for fiscal year 2014, the revenue from this tax levy is a deferred inflow of resources.

Accounts receivable: Primarily from Hope Creek Care Center private pay patient receivables and miscellaneous services provided to citizens. Patient receivables are presented net of an allowance for uncollectible determined by historical experience applied to an aging of accounts and a review of troubled accounts by the County. Fiscal year ended November 30, 2014 included an allowance for an uncollectible amount of \$1,015,652 for private pay patient receivables.

Due from other governments: The County's due from other governments include receivables from federal and state governmental units related to grants, taxes and charges for services related to the nursing home. These receivables are shown net of an allowance for uncollectible determined by historical experience applied to an aging of accounts and a review of troubled accounts by the County. Fiscal year ended November 30, 2014 included an allowance for an uncollectible amount of \$1,784,348 for patient receivables in the Nursing Home Fund included in due from other governments.

Capital assets: Capital assets, including land, buildings, improvements other than buildings, equipment and infrastructure, are reported in the governmental activities column in the government-wide financial statements and in the proprietary (internal service) fund financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an initial useful life of one year or greater. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair 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 the life of the asset are not capitalized.

## Rock Island County, Illinois

### Notes to Basic Financial Statements Year Ended November 30, 2014

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#### **Note 1. Nature of Operations, Reporting Entity, Basis of Presentation and Significant Accounting Policies (Continued)**

Major outlays for capital assets and improvements are capitalized as projects are constructed.

All reported capital assets except land and construction-in-progress are depreciated.

Depreciation has been provided using the straight-line method over the estimated useful lives of the respective assets. The estimated useful lives for each capital asset type are as follows:

Buildings	25 - 40 years
Infrastructure	20 - 50 years
Equipment	5 - 15 years
Improvements other than buildings	20 years

The County's collection of works of art, books and other similar assets are not capitalized. These collections are unencumbered, held for public exhibition and education, protected, cared for and preserved and subject to County policy that requires proceeds from the sale of these items, if any, to be used to acquire other collection items.

Unearned revenues: Unearned revenues in the government-wide statements and the governmental fund financial statements include grant awards received but unearned by the fulfillment of an expenditure provision.

Deferred outflows of resources: In addition to assets, the statement of net position 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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one item that qualifies for reporting in this category; it is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred inflows of resources: In addition to liabilities, the statement of net position and 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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from three sources: property taxes, fees and intergovernmental revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the City's government-wide statements, the property tax revenues remain under the modified accrual basis of accounting and will become an inflow in the year for which the taxes are levied and budgeted for.

Interfund transactions: Transactions from County funds that would be treated as revenues and expenditures or expenses if they involved organizations external to County government are accounted for as revenues and expenditures or expenses in the funds involved.

Transactions which constitute reimbursements to a fund for expenditures initially made from it which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

**Rock Island County, Illinois**

**Notes to Basic Financial Statements  
Year Ended November 30, 2014**

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**Note 1. Nature of Operations, Reporting Entity, Basis of Presentation and Significant Accounting Policies (Continued)**

Transactions which constitute the transfer of resources from a fund receiving revenues to a fund through which revenues are to be expended are separately reported in the respective funds' operating statements.

Activity between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and the blended component units are reported in the government-wide financial statements as "internal balances".

Advances to funds in the General Fund, as reported in the fund financial statements, are offset by a fund balance nonspendable account to indicate that they are not available for appropriation and are not expendable financial resources.

Compensated absences: County employees are granted vacation in varying amounts based upon length of employment by the County. Vacations are not cumulative and shall be forfeited if not used within one year of earning such vacation. Nonunion employees are allowed to carry over one week of vacation. Any employee who has completed one year of service will be paid for all or part of their accrued but unused vacation upon termination of employment depending on the anniversary year that termination of employment occurs. Expenditures for compensated absences are recorded in the governmental funds when due. The expense and related liability is recorded in the government-wide financial statements when incurred.

Employees' rights to sick pay accumulate generally at the rate of one day per month of service. However, such rights do not vest and can only be paid upon an employee's absence due to any nonservice connected sickness or injury. Sick pay is, therefore, recorded as an expenditure when paid.

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

In the governmental fund financial statements, governmental fund types 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 debt service expenditures. Bond principal payments are reported as debt service expenditures.

Fund balance: In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable: Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted: Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

**Rock Island County, Illinois**

**Notes to Basic Financial Statements  
Year Ended November 30, 2014**

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**Note 1. Nature of Operations, Reporting Entity, Basis of Presentation and Significant Accounting Policies (Continued)**

Committed: Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the County Board through resolution approved prior to year-end. Those committed amounts cannot be used for any other purpose unless the County Board removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned: Amounts constrained by the County's intent to use them for a specific purpose. The authority to assign fund balance remains with the County Board.

Unassigned: All amounts not included in other spendable classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Residual deficit amounts of other governmental funds would also be reported as unassigned.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the County's procedure is to pay the expenditure from restricted fund balance and then from less-restrictive classifications – committed, assigned and then unassigned fund balances.

Net position: Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on its use through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted through enabling legislation consists of \$862,412 for employee benefits, \$1,805,728 for public health, \$522,607 for liability, \$522,907 for work cash and \$6,003,424 for capital improvements.

The County first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

## Rock Island County, Illinois

### Notes to Basic Financial Statements Year Ended November 30, 2014

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#### Note 2. Cash and Investments

As of November 30, 2014, the County's cash and cash equivalents and investments were as follows:

Cash and cash equivalents statement of net position	\$ 23,517,451
Cash and cash equivalents fiduciary funds	9,620,330
Cash and cash equivalents component unit	47,142
	<hr/>
	\$ 33,184,923

Authorized Investments: The County, Rock Island Tri-County Consortium (discretely presented component unit), Rock Island Forest Preserve District and the Public Building Commission (PBC) (blended component units) are authorized by state statutes and their investment policies to make deposits in interest bearing depository accounts in federally insured and/or state chartered banks and savings and loan associations, or other financial institutions as designated by ordinances, and to invest available funds in direct obligations of, or obligations guaranteed by, the United States Treasury or agencies of the United States, money market mutual funds whose portfolios consist of government securities, Illinois Funds Money Market Funds and annuities. The County maintains a money market pool for certain funds where the resources have been pooled in order to maximize investment opportunities. Income from investments is allocated between the funds who own the shares in the pool.

Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of investments. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County's, Rock Island Forest Preserve District's and Rock Island Tri-County Consortium's investment policies do not limit the investment maturities as means of managing its exposure to fair value losses arising from increasing interest rates.

The PBC's investment policy states the highest interest rate available will always be the objective of the investment policy combined with safety of principal, which is left to the discretion of the County Treasurer.

Credit risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County and PBC's monies are held with money market funds which are considered deposit accounts and are therefore unrated.

Concentration of credit risk: The County's investment policy is to apply the prudent-person rule: Investments shall be made utilizing the judgment and care, under the circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investments, considering probable safety of their capital as well as the probable income to be derived. The investment policy further limits the County's investments to be less than 75 percent of the financial institutions capital and surplus. As of November 30, 2014, the County held no investments subject to concentration of credit risk.

The PBC's investment policy states that the County Treasurer will have the sole responsibility to select which financial institutions will be depositories for the commission funds. The County Treasurer will take into consideration security, size, location, condition, service, fees and the community relations involvement of the financial institutions when choosing a financial institution.

## Rock Island County, Illinois

### Notes to Basic Financial Statements Year Ended November 30, 2014

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#### Note 2. Cash and Investments (Continued)

The Rock Island Forest Preserve District's investment policy is to apply the prudent-person rule: Investments shall be made utilizing the judgment and care, under the circumstances then present, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investments, considering probable safety of their capital as well as the probable income to be derived. As of June 30, 2014, the District held no investments.

The Rock Island Tri-County Consortium has no formal investment policy.

Custodial credit risk: The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will be not be able to recover the value of its investment or collateral securities that are in the possession of another party. The County's and District's investment policy allow the County Treasurer to determine whether collateral will be required of the financial institutions. The policy further requires collateral be held for financial institutions with County and District deposits in excess of 35% of the capital surplus of the financial institution. When collateral is required, 110 percent of the deposit is required. Only U.S. Government securities, obligations of Federal Agencies or Federal Instrumentalities, obligations of the State of Illinois, obligations of the County of Rock Island, obligations of municipalities located within the County, are considered acceptable collateral.

As of November 30, 2014, none of the County's bank balances were exposed to custodial credit risk as the balances were insured and/or collateralized.

The carrying amount and bank balance of the Consortium's deposits as of June 30, 2014 was \$47,142. The bank balance was covered by federal depository insurance or collateralized by securities held by pledging financial institution's trust department or agent in the Consortium's name.

#### Note 3. Individual Fund Disclosures

The following is a summary of deficit fund balances of individual funds as of November 30, 2014:

Fund	Deficit Fund Balance
Special Revenue Funds:	
Animal Control Fund	\$ 144,542
Court Security Fund	12,745
Maintenance and Child Support Collection Fund	42,740

The deficits will be funded with future fees, grant money and/or transfers from the General Fund.

## Rock Island County, Illinois

### Notes to Basic Financial Statements Year Ended November 30, 2014

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#### Note 4. Interfund Account Balances

The interfund receivable and payable balances as of November 30, 2014 are as follows:

	Due From Other Funds	Due To Other Funds
General	\$ 106,948	\$ 24,040
Hope Creek Care Center	88,905	142,462
Nonmajor governmental funds	33,258	143,538
Internal Service Funds	80,929	-
<b>Total</b>	<b>\$ 310,040</b>	<b>\$ 310,040</b>

Advances to and from other funds as of November 30, 2014, were as follows:

	Advances To Other Funds	Advances From Other Funds
General	\$ 562,850	\$ -
Hope Creek Care Center	-	396,850
Nonmajor governmental funds	431,850	597,850
	<b>\$ 994,700</b>	<b>\$ 994,700</b>

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, (3) payments between funds are made and (4) to cover operating deficits.

#### Note 5. Interfund Transfers

The following is a schedule of transfers as included in the basic financial statements of the County:

	Transfers In	Transfers Out
General	\$ 1,591,629	\$ 467,998
Illinois Municipal Retirement	-	10,815
Nonmajor governmental funds	958,902	2,038,742
Internal service funds	-	32,976
<b>Total</b>	<b>\$ 2,550,531</b>	<b>\$ 2,550,531</b>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them or (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

# Rock Island County, Illinois

## Notes to Basic Financial Statements Year Ended November 30, 2014

### Note 6. Capital Assets

The following is a summary of changes in capital assets for the year ended November 30, 2014:

	2013 Balance	Additions	Deletions	2014 Balance
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 5,834,346	\$ 732,665	\$ -	\$ 6,567,011
Construction-in-progress	268,119	508,531	(28,653)	747,997
<b>Total capital assets not being depreciated</b>	<b>6,102,465</b>	<b>1,241,196</b>	<b>(28,653)</b>	<b>7,315,008</b>
Capital assets being depreciated:				
Buildings	56,710,021	34,023	-	56,744,044
Improvements other than buildings	92,909	-	-	92,909
Equipment	13,288,633	751,735	(445,310)	13,595,058
Infrastructure	63,316,719	143,296	(3,601,351)	59,858,664
<b>Total capital assets being depreciated</b>	<b>133,408,282</b>	<b>929,054</b>	<b>(4,046,661)</b>	<b>130,290,675</b>
Less accumulated depreciation for:				
Buildings	19,117,982	1,454,227	-	20,572,209
Improvements other than buildings	33,629	6,315	-	39,944
Equipment	10,048,699	868,264	(439,846)	10,477,117
Infrastructure	26,012,567	1,704,935	(1,925,352)	25,792,150
<b>Total accumulated depreciation</b>	<b>55,212,877</b>	<b>4,033,741</b>	<b>(2,365,198)</b>	<b>56,881,420</b>
<b>Total capital assets being depreciated, net</b>	<b>78,195,405</b>	<b>(3,104,687)</b>	<b>(1,681,463)</b>	<b>73,409,255</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 84,297,870</b>	<b>\$ (1,863,491)</b>	<b>\$ (1,710,116)</b>	<b>\$ 80,724,263</b>

The following is a summary of the changes in capital assets of the discretely presented component unit for the year ended June 30, 2014:

	2013 Balance	Additions	Deletions	2014 Balance
<b>Discretely Presented Component Unit:</b>				
Capital assets being depreciated, equipment	\$ 368,769	\$ -	\$ -	\$ 368,769
Less accumulated depreciation for equipment	330,149	22,143	-	352,292
<b>Component unit capital assets, net</b>	<b>\$ 38,620</b>	<b>\$ (22,143)</b>	<b>\$ -</b>	<b>\$ 16,477</b>

# Rock Island County, Illinois

## Notes to Basic Financial Statements Year Ended November 30, 2014

### Note 6. Capital Assets (Continued)

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

General government	\$	223,260
Public safety		257,921
Corrections		607,820
Judiciary and legal		110,272
Transportation and public works		1,551,927
Social services		604,685
Culture and recreation		677,855
<b>Total depreciation expense, governmental activities</b>	<b>\$</b>	<b>4,033,740</b>

### Note 7. Long-Term Debt and Revenue Anticipation Loan

Short-term liabilities: A summary of changes in short-term liabilities for the year ended November 30, 2014 is as follows:

	Balance November 30, 2013	Additions	Deletions	Balance November 30, 2014	Due Within One Year
Tax Anticipation Loan (A)	\$ -	\$ 1,000,000	\$ 980,000	\$ 20,000	\$ 20,000
Revenue anticipation loan (B)	750,000	-	750,000	-	-
	<b>\$ 750,000</b>	<b>\$ 1,000,000</b>	<b>\$ 1,730,000</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>

(A) On March, 19, 2014, the County of Rock Island, Illinois activated a Tax Anticipation Warrant of \$1,000,000 with an interest rate of 2.02 percent. The warrant was obtained as a partial advance of the approximately \$2,040,000 of property taxes due to Hope Creek in fiscal year 2015. The warrant was used to pay salaries and other operating expenses and liabilities for the Hope Creek Care Center and is due February 28, 2015. The loan payable is recorded as an account payable within the Hope Creek Care Center fund at year-end.

(B) On May 28, 2013, the County received a \$750,000 Revenue Anticipation Note Series 2013 from a bank with an interest rate of 1.00 percent. The loan was used to pay salaries and other operating expenses and liabilities for the Rock Island County Nursing Home and was paid on April 1, 2014.

## Rock Island County, Illinois

### Notes to Basic Financial Statements Year Ended November 30, 2014

#### Note 7. Long-Term Debt and Revenue Anticipation Loan (Continued)

The following is a summary of changes in long-term debt for the year ended November 30, 2014:

	Balance November 30, 2013	Additions	Deletions	Balance November 30, 2014	Due Within One Year
<b>Governmental Activities:</b>					
General obligation bonds	\$ 23,505,000	\$ -	\$ 2,235,000	\$ 21,270,000	\$ 1,315,000
Revenue bonds payable	5,185,000	-	825,000	4,360,000	835,000
Add premiums	360,907	-	50,923	309,984	-
Less discounts	(26,916)	-	(2,827)	(24,089)	-
	29,023,991	-	3,108,096	25,915,895	2,150,000
Compensated absences	2,770,771	2,733,869	2,770,771	2,733,869	2,733,869
Estimated claims settlements	1,056,292	7,865,778	7,502,554	1,419,516	735,016
	<u>\$ 32,851,054</u>	<u>\$ 10,599,647</u>	<u>\$ 13,381,421</u>	<u>\$ 30,069,280</u>	<u>\$ 5,618,885</u>
<b>Discretely Presented Component</b>					
Unit, compensated absences	\$ 25,651	\$ 15,144	\$ 25,651	\$ 15,144	\$ 15,144

**General obligation bonds:** On May 9, 2013, the County issued \$3,700,000 in General Obligation Refunding Bonds, Series 2013 maturing December 1, 2015 through December 1, 2025 with interest rates ranging from 2.00 to 3.50 percent to advance refund \$1,210,000 of the outstanding General Obligation Bonds, Series 2006 with interest rates ranging from 3.65 to 5.50 percent and \$1,995,000 of outstanding General Obligation Bonds, Series 2007 with interest rates at 4.00 percent. A portion of the net proceeds related to the partial refunding of \$3,907,178 were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the General Obligation Bonds, Series 2006 and 2007 being refunded.

The County issued two separate series of bonds to finance the acquisition, construction and installation of a new County nursing home and related facilities, improvements and costs. On December 15, 2006, the County issued \$9,950,000 General Obligation Bonds (Alternate Revenue Source), Series 2006. These bonds are due in annual installments of \$410,000 to \$750,000 through 2027 at an interest rate of 3.60 percent to 5.50 percent.

On April 1, 2007, the County issued \$9,935,000 General Obligation Bonds (General Sales Taxes Alternate Revenue Source), Series 2007. These bonds are due in annual installments of \$400,000 to \$1,550,000 through 2027 at an interest rate of 4.00 percent to 5.25 percent.

On December 1, 2008, the Forest Preserve District issued \$4,585,000 in General Obligation (Alternative Revenue Source) Bonds. The purpose of the bonds is to defray the costs of Niabi Zoo facilities and improvements. The interest rate ranges from 3.7 percent to 5.1 percent. The annual payments range from \$160,000 to \$355,000. The last payment due is \$355,000 on December 1, 2028.

## Rock Island County, Illinois

### Notes to Basic Financial Statements Year Ended November 30, 2014

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#### **Note 7. Long-Term Debt and Revenue Anticipation Loan (Continued)**

Revenue bonds: On September 1, 2012, the Rock Island County (Public Building Commission) issued \$5,625,000 in Justice Center Revenue Refunding Bonds, Series 2012 maturing December 1, 2013 through December 1, 2019 with interest rates ranging from 1.50 percent to 2.05 percent to current refund \$5,625,000 of the outstanding Justice Center Revenue Bonds, Series 2005 with interest rates ranging from 3.70 percent to 4.30 percent. A portion of the net proceeds related to the current refunding of \$5,693,694 were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Justice Center Revenue Bonds, Series 2005 being refunded.

On October 1, 2009, Rock Island County (Public Building Commission) issued \$555,000 in Justice Center Refunding Revenue Bonds with interest rates ranging from 3.7 percent to 8.5 percent to advance refund \$555,000 of Local Government Revenue Bonds, Series 1998 with interest rates from 4.65 percent to 5.0 percent.

On April 1, 2005, Rock Island County (Public Building Commission) issued \$9,020,000 in Justice Center Refunding Revenue Bonds, Series 2005 with interest rates ranging from 3.7 percent to 4.35 percent to advance refund \$6,315,000 of outstanding Local Government Program Revenue Bonds, Series 1998 and \$2,190,000 of Justice Center Revenue Bonds, Series 1999. These bonds were refunded during the year by the Justice Center Revenue Refunding Bonds, Series 2012.

The County has pledged as security for bonds issued by the Public Building Commission, a portion of the County's property tax. The bonds issued by the Public Building Commission in 2009 in the amount of \$555,000, for the purpose of advance refunding of Local Government Program Revenue Bonds, Series 1998, which are payable through 2018. The bonds issued by the Public Building Commission in 2012 in the amount of \$5,625,000 for the purpose of current refunding of Justice Center Revenue Bonds, Series 2005 which are payable through 2019. The County has committed to appropriate each year, from the property tax, an amount sufficient to cover the principal and interest requirements on the Public Building Commission's debt. The Public Building Commission has pledged as sole security for the bonds the appropriation from the County. Total principal and interest remaining on the debt is \$4,606,339 with annual requirements ranging from \$916,200 to \$926,275. For the current year, principal and interest paid by the Public Building Commission and the total property tax revenue recognized by the County were \$926,878 and \$1,540,879, respectively.

The County has pledged as security for bonds issued by the Hope Creek Care Center, a portion of the County's property tax. The bonds issued by Hope Creek Care Center in 2013 in the amount of \$3,700,000, for the purpose of advance refunding \$3,205,000 of General Obligation Bonds, Series 2006 and Series 2007, which are payable through 2027. The County has committed to appropriate each year, from the property tax, an amount sufficient to cover the principal and interest requirements on the Hope Creek Care Center's debt. The Hope Creek Care Center has pledged as sole security for the bonds the appropriation from the County. Total principal and interest remaining on the debt is \$22,473,020 with annual requirements ranging from \$648,000 to \$1,771,147. For the current year, principal and interest paid by the Hope Creek Care Center and the total property tax revenue recognized by the County were \$1,450,457 and \$2,377,431, respectively.

Compensated absences and claims settlements attributable to governmental activities are generally liquidated by the General Fund.

# Rock Island County, Illinois

## Notes to Basic Financial Statements Year Ended November 30, 2014

### Note 7. Long-Term Debt and Revenue Anticipation Loan (Continued)

As of November 30, 2014, the County's future cash flow requirements for the retirement of the general obligation bonds is as follows:

<u>Year ending November 30:</u>	Principal	Interest	Total
2015	\$ 1,315,000	\$ 1,014,094	\$ 2,329,094
2016	1,360,000	954,269	2,314,269
2017	1,410,000	902,143	2,312,143
2018	1,475,000	847,148	2,322,148
2019	1,530,000	788,979	2,318,979
2020-2024	8,065,000	2,710,712	10,775,712
2025-2029	6,115,000	609,573	6,724,573
<b>Total</b>	<b>\$ 21,270,000</b>	<b>\$ 7,826,918</b>	<b>\$ 29,096,918</b>

As of November 30, 2014, the County's future cash flow requirements for the retirement of the revenue bonds is as follows:

<u>Year ending November 30:</u>	Principal	Interest	Total
2015	\$ 835,000	\$ 84,358	\$ 919,358
2016	855,000	66,553	921,553
2017	875,000	47,953	922,953
2018	895,000	31,275	926,275
2019	900,000	16,200	916,200
<b>Total</b>	<b>\$ 4,360,000</b>	<b>\$ 246,339</b>	<b>\$ 4,606,339</b>

As of November 30, 2014, the County did not exceed its legal debt margin:

Assessed value, net of tax exemptions	<u>\$ 2,358,643,678</u>
Debt limit, 2.875% of assessed value	\$ 67,811,006
Debt applicable to debt limit	25,915,895
<b>Legal debt margin</b>	<u><b>\$ 41,895,111</b></u>

## Rock Island County, Illinois

### Notes to Basic Financial Statements Year Ended November 30, 2014

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#### Note 8. Retirement System

##### Plan Descriptions and Provisions:

##### Illinois Municipal Retirement Fund

The County and its component units are participating members of the Illinois Municipal Retirement Fund (IMRF), which provides retirement benefits for substantially all officials and employees of the County whose position normally requires at least 1,000 hours of service per year. IMRF benefits are payable in addition to social security benefits.

**Plan Description** – The County's defined benefit pension plan provides retirement and disability benefits, postretirement increases and death benefits to plan members and beneficiaries. The County's plan is affiliated with the IMRF, an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

**Funding Policy** – As set by statute, the County's plan members, other than Sheriff's Law Enforcement Personnel (SLEP) and Elected County Officials (ECO), are required to contribute 4.50 percent of their annual covered salary. SLEP and ECO employees participating in IMRF are required to contribute 7.50 percent of their covered salary.

The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rates and annual required contributions as a percent of annual payroll are as follows:

	Employer Contribution Rate	Annual Contribution Rate
Regular:		
2014	12.07%	12.91%
2013	13.19	13.19
Sheriff's Law Enforcement Personnel:		
2014	26.05	26.65
2013	24.31	26.01
Elected County Officials:		
2014	54.07	54.07
2013	39.35	39.35
Forest Preserve District:		
2014	11.96	11.96
2013	13.27	13.27

The County also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

# Rock Island County, Illinois

## Notes to Basic Financial Statements Year Ended November 30, 2014

### Note 8. Retirement System (Continued)

**Annual Pension Cost** – For 2014 is as follows:

Annual required contribution	\$ 4,843,526
Interest on net IMRF pension obligation	124,642
Adjustment to annual required contribution	(89,095)
Annual pension cost	4,879,073
Annual contributions made	4,722,852
Increase in IMRF pension obligation	156,221
Net IMRF pension obligation, beginning of year	1,661,906
Net IMRF pension obligation, end of year	\$ 1,818,127

The required contribution for 2014 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10.0 percent per year depending on age and service, attributable to seniority/merit and (d) postretirement benefit increases of 3 percent annually. The actuarial value of the County's plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investment over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30-year basis.

### Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
11/30/2014	\$ 4,879,073	97%	\$ 1,818,127
11/30/2013	4,813,272	98	1,661,906
11/30/2012	4,881,481	93	1,548,879

**Funded Status and Funding Progress** – As of the December 31, 2013 actuarial valuation date, the plan for the County, including blended component units, was 71.44 percent funded. The actuarial accrued liability for benefits was \$94,275,833 and the actuarial value of assets was \$67,348,985 resulting in an unfunded actuarial accrued liability (UAAL) of \$26,926,848. The covered payroll (annual payroll of active employees covered by the plan) was \$31,215,145 and the ratio of the UAAL to the covered payroll was 86.26 percent.

As of the December 31, 2014 actuarial valuation date, the plan for the County, including blended component units, was 67 percent funded. The actuarial accrued liability for benefits was \$92,153,703 and the actuarial value of assets was \$61,550,347 resulting in an unfunded actuarial accrued liability (UAAL) of \$30,603,356. The covered payroll (annual payroll of active employees covered by the plan) was \$30,767,603 and the ratio of the UAAL to the covered payroll was 99 percent.

## Rock Island County, Illinois

### Notes to Basic Financial Statements Year Ended November 30, 2014

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#### Note 8. Retirement System (Continued)

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

#### Rock Island Tri-County Consortium

**Plan Description** – The Consortium’s defined benefit pension plan provides retirement and disability benefits, post retirement increases and death benefits to plan members and beneficiaries. The Consortium’s plan is affiliated with the IMRF, an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

**Funding Policy** – As set by statute, the Consortium’s plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2013 was 29.2 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2013 was 43.65 percent. The Consortium also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Annual Pension Cost** – For calendar year ended December 31, 2013, the Consortium’s actual contributions for pension cost were \$104,892. Its required contribution for calendar year 2013 was \$156,799.

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10 percent per year depending on age and service, attributable to seniority/merit and (d) postretirement benefit increases of 3 percent annually. The actuarial value of the Consortium’s plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investment over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The Consortium’s Regular plan’s unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open ten-year basis.

Three-Year Trend Information

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2013	\$ 104,892	66%	\$ 158,829
12/31/2012	134,718	62	104,418
12/31/2011	144,099	63	53,198

## Rock Island County, Illinois

### Notes to Basic Financial Statements Year Ended November 30, 2014

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#### **Note 8. Retirement System (Continued)**

**Funded Status and Funding Progress** – As of December 31, 2013, the most recent actuarial valuation date, the plan was 34.64 percent funded. The actuarial accrued liability for benefits was \$1,168,016 and the actuarial value of assets was \$404,655 resulting in an unfunded actuarial accrued liability (UAAL) of \$763,361. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$359,218 and the ratio of the UAAL to the covered payroll was 213 percent.

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

#### **Note 9. Deferred Compensation Plan**

The County (and its component units) offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457(g). The plan, available to all County (and its component units) employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The assets are placed in trust for the exclusive benefit of participants and their beneficiaries. The County is not fiduciarily accountable for the amount deferred by employees and, therefore, the liability and corresponding investments are not reflected in the financial statements.

#### **Note 10. Risk Management and Insurance**

The County is self-insured for risk exposure related to health benefits, worker's compensation claims and general and automobile liability claims.

The County accounts for its self insurance related to its employees' health benefits in an internal service fund. All claims handling procedures are performed by an independent claims administrator. Liabilities are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Recognized liabilities include a provision for all estimated claims incurred but not reported. For medical claims, self-insurance is in effect up to a specific stop loss of \$500,000.

The County records all other risk management activities, including those relating to worker's compensation, general and automobile liability claims in its Liability Insurance Fund. The fund receives actuarially determined premiums from other County funds and covered employees which are recorded as revenues (and expenditures of the payor funds for the County portion) as well as property taxes revenues for the liability insurance. Claims settlement and loss expenses are accrued in the government-wide statements, for the estimated settlement value of worker's compensation, general liability and auto liability claims reported and unreported arising from incidents during the year except the portion that is due and payable, which is recorded in the Liability Insurance Fund. These claims are administered by the County.

As of November 30, 2014, the amount of liabilities recorded for estimated claim settlements for health benefits, worker's compensation, general and auto liability claims was \$1,419,516, of which \$716,000 was recorded in the Internal Service Fund and \$19,016 was recorded in the Liability Insurance Fund as accrued liabilities. The entire balance of \$1,419,516 was recorded in the government-wide statements.

## Rock Island County, Illinois

### Notes to Basic Financial Statements Year Ended November 30, 2014

#### Note 10. Risk Management and Insurance (Continued)

Changes in reported liabilities during fiscal 2014 and 2013 were:

	Self-Insurance	
	2014	2013
Claims payable, beginning of year	\$ 1,056,292	\$ 1,874,238
Claims expense and changes in estimates	7,865,778	5,562,011
Claims payments	(7,502,554)	(6,379,957)
Claims payable, end of year	<u>\$ 1,419,516</u>	<u>\$ 1,056,292</u>

There has been no significant reduction in insurance coverage from coverage in the prior year. Settled claims have not exceeded the insurance coverage purchased for each of the past three fiscal years.

#### Note 11. Other Postemployment Benefits

Plan description: The County, as approved by the County Board, provides a single-employer postretirement health care benefits plan to all employees who (1) retire from the County on or after attaining age 60 with at least 12 years of service, (2) retire from the County on or after attaining age 55 with at least 35 years of credited service under the Illinois Municipal Retirement Fund ("IMRF"), (3) retired from the County between June 1, 1997 and June 1, 1998 after attaining age 50 with at least 20 years of service, or (4) retired from the County after January 1, 2001 after participating in the group health insurance plan for at least eight years, eligible for immediate receipt of pension from IMRF or SLEP, and insurance coverage was in effect the day before retirement began. The plan does not issue a stand-alone financial report.

Funding policy: The County establishes and amends contribution requirements. The County pays approximately 87 percent of the pre-Medicare retirees' health insurance premiums for single coverage or 83 percent of the premium for family coverage for all retirees qualifying under (1) or (2) above. The County pays 50 percent of the pre-Medicare retirees' health insurance premiums for all retirees qualifying under (3) above. The County pays between 2 percent and 50 percent, depending on the length of employee's service, for all retirees qualifying under (4) above. For fiscal year 2014, the County contributed \$586,922. Active members receiving benefits have required monthly contributions of:

Coverage Type	Rate
Single	\$ 56.62
Single + One	127.40
Single + Two	167.86
Family	198.10
Single COBRA	453.27
Family COBRA	1,171.01

The current funding policy of the County is to pay premiums as they occur on a pay-as-you-go basis.

# Rock Island County, Illinois

## Notes to Basic Financial Statements Year Ended November 30, 2014

### Note 11. Other Postemployment Benefits (Continued)

Annual OPEB cost and net OPEB obligation: The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance to the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB cost for the year, the amount actuarially contributed to the plan and changes in the County's annual OPEB obligation:

Annual required contribution	\$ 889,665
Interest on net OPEB obligation	182,343
Adjustment to annual required contribution	(124,564)
Annual OPEB cost (expense)	947,444
Contributions and payments made	(586,922)
Increase in net OPEB obligation	360,522
Net OPEB obligation, beginning of year	3,646,861
Net OPEB obligation, end of year	\$ 4,007,383

The County's annual OPEB cost, the percent of annual OPEB cost contributed to the plan and to the net OPEB obligations for 2013 and the two preceding years are as follows.

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
November 30, 2012	\$ 1,401,740	16.4%	\$ 3,286,572
November 30, 2013	903,735	60.1%	3,646,861
November 30, 2014	947,444	61.9%	4,007,383

Funded status and funding progress: As of November 30, 2013, the most recent actuarial valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$12,951,581 and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UAAL) of \$12,951,581. The covered payroll (annual payroll of active employees covered by the plan) was \$21,747,298 and the ratio of the UAAL to the covered payroll was 59.55 percent.

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 health care cost trend. Amounts determined regarding the funded status of the plan and 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 the financial statements, presents only the initial year trend information.

## Rock Island County, Illinois

### Notes to Basic Financial Statements Year Ended November 30, 2014

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#### **Note 11. Other Postemployment Benefits (Continued)**

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 the plan members) and included in 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 the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the November 30, 2014 actuarial valuation, entry age method was used. The actuarial assumptions included a 5 percent investment rate of return, salary increases of 5 percent and health care cost trend rate (which is considered the general inflation rate assumption for the plan) of 8 percent initially and an ultimate rate of 5 percent. The UAAL is being amortized as a level percentage of pay on an open basis. The amortization of UAAL is done over a period of 30 years.

See separately issued financial statements for details on the Tri-County Consortium other postemployment benefits.

#### **Note 12. Commitments and Contingencies**

The County is a defendant in a number of lawsuits, including complaints involving worker's compensation, personal injury and other matters, arising from the normal conduct of the County's operations. A liability has been recorded by the County as of November 30, 2014 for the lawsuits which, in the opinion of the County's officials and the County's legal counsel, are probable to result in a loss to the County and for which the loss can be reasonably estimated. Generally, the County may levy a tax for judgments entered against it.

## Rock Island County, Illinois

### Notes to Basic Financial Statements Year Ended November 30, 2014

#### Note 13. Fund Balances

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes criteria for classifying fund balances in specifically defined classifications and clarifies definitions for governmental fund types. The classifications of fund balances by opinion unit as of November 30, 2014 are as follows:

<b>Fund balances:</b>	General	Forest Preserve Commission	Hope Creek Care Center	Illinois Municipal Retirement	Nonmajor Governmental	Total
Nonspendable:						
Advances	\$ 562,850	\$ -	\$ -	\$ -	\$ -	\$ 562,850
Inventories	53,022	-	-	-	10,051	63,073
Prepays	21,270	-	3,839	-	3,442	28,551
<b>Total nonspendable</b>	<b>637,142</b>	<b>-</b>	<b>3,839</b>	<b>-</b>	<b>13,493</b>	<b>654,474</b>
Restricted:						
Capital improvements	-	-	-	-	6,003,424	6,003,424
Collector's tax fees, sale and error refunds	-	-	-	-	162,749	162,749
Document storage	-	-	-	-	2,531,334	2,531,334
Working cash	522,607	-	-	-	-	522,607
GIS	-	-	-	-	191,100	191,100
IMRF/FICA	-	-	-	1,607,451	1,073,087	2,680,538
Judicial	-	-	-	-	1,541,443	1,541,443
Parks and recreation	-	2,529,336	-	-	83,255	2,612,591
Public health	-	-	499,878	-	1,819,559	2,319,437
Public safety	5,106	-	-	-	104,491	109,597
Liability	-	-	-	-	595,970	595,970
<b>Total restricted</b>	<b>527,713</b>	<b>2,529,336</b>	<b>499,878</b>	<b>1,607,451</b>	<b>14,106,412</b>	<b>19,270,790</b>
Assigned, liability	-	-	-	-	4,727	4,727
Unassigned	3,211,179	-	-	-	(200,027)	3,011,152
<b>Total fund balances</b>	<b>\$ 4,376,034</b>	<b>\$ 2,529,336</b>	<b>\$ 503,717</b>	<b>\$ 1,607,451</b>	<b>\$ 13,924,605</b>	<b>\$ 22,941,143</b>

#### Note 14. Conduit Debt Obligations

In fiscal year 2008, the County Board amended the original resolution to authorize, but not issue, an amount not to exceed \$600,000,000 in mortgage revenue bonds as a part of a state-wide program for the purpose of financing mortgage loans to low and moderate income persons for one to four family residences in the County of Rock Island, Illinois. These bonds will be payable solely from the repayment of the mortgage loans. These bonds and interest thereon will not be considered as obligations of the County and do not constitute an indebtedness, liability, general or moral obligation or pledge of the faith or loan of credit of the County. The County is unable to determine the amount outstanding as of year ending November 30, 2014.

## Rock Island County, Illinois

### Notes to Basic Financial Statements Year Ended November 30, 2014

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#### Note 15. Pending Governmental Accounting Standards Board (GASB) Statements

The GASB has issued several statements not yet implemented by the County. The statements which may impact the County are as follows:

- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, issued June 2012, will be effective for the County beginning with its year ending November 30, 2015. This Statement replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and GASB Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. This Statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. Each employer participating in a multiple-employer defined benefit plan will be required to record a liability representing their "proportionate share" of the plan's net pension liability. This Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information.
- GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*, issued November 2013, will be effective for the County beginning with its year ending November 30, 2015. This Statement eliminates a potential source of understatement of restated beginning net position and expense in a government's first year of implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. To correct this potential understatement, Statement 71 requires a state or local government, when transitioning to the new pension standards, to recognize a beginning deferred outflow of resources for its pension contributions made during the time between the measurement date of the beginning net pension liability and the beginning of the initial fiscal year of implementation. This amount will be recognized regardless of whether it is practical to determine the beginning amounts of all other deferred outflows of resources and deferred inflows of resources related to pensions.
- GASB Statement No. 72, *Fair Value Measurement and Application*, issued February 2015, will be effective for the County with its year ending November 30, 2016. This Statement defines fair value and describes how fair value should be measured, what assets and liabilities should be measured at fair value, and what information about fair value should be disclosed in the notes to the financial statements. This Statement defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments, which generally are measured at fair value, are defined as a security or other asset that governments hold primarily for the purpose of income or profit and the present service capacity of which are based solely on their ability to generate cash or to be sold to generate cash. The related disclosures have been expanded to categorize fair values according to their relative reliability and to describe positions held in many alternative investments.

The County's management has determined the implementation of GASB Statement Nos. 68 and 71 will have a significant impact on the County's financial statements but has not yet determined the effect of Statement No. 72.

# Rock Island County, Illinois

## Required Supplementary Information

### Illinois Municipal Retirement Fund - County and Forest Preserve District, Primary Government

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Over- funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
<b>12/31/2014</b>	<b>\$ 61,550,347</b>	<b>\$ 92,153,703</b>	<b>\$ 30,603,356</b>	<b>66.8%</b>	<b>\$ 30,767,603</b>	<b>99.5%</b>
12/31/2013	67,348,985	94,275,833	26,926,848	71.4	31,215,145	86.3
12/31/2012	60,979,770	91,906,205	30,926,435	66.4	31,020,096	99.7

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contributions (ARC) (a)	Total Contributions (b)	Percentage of ARC Contributed (b/a)
<b>11/30/2014</b>	<b>\$ 4,843,526</b>	<b>\$ 4,722,852</b>	<b>98%</b>
11/30/2013	4,780,142	4,700,245	98
11/30/2012	4,855,169	4,562,722	94

The information above includes the County and Forest Preserve District, a blended component unit.

On a market value basis, the actuarial value of assets as of December 31, 2014 is \$77,319,297.

On a market basis, the funded ratio would be 83.90%.

The information presented in the required supplementary schedules was determined as part of the actuarial valuation as of December 31, 2012. Additional information follows:

1. The cost method used to determine the required contribution is the entry age method.
2. The assets are shown at fair market value.
3. Economic assumptions are as follows: investment return rate of 7.5 percent, salary increase of 4.0 percent a year, attributable to inflation, salary increase of 0.4 percent to 10.0 percent a year and postretirement benefit increases of 3.0 percent annually.
4. The amortization method is an open period, level percentage of payroll.

# Rock Island County, Illinois

## Required Supplementary Information

### Illinois Municipal Retirement Fund - Rock Island Tri-County Consortium, Discretely Presented Component Unit

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Over- funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
<b>12/31/2013</b>	<b>\$ 404,655</b>	<b>\$ 1,168,016</b>	<b>\$ 763,361</b>	<b>34.6%</b>	<b>\$ 359,218</b>	<b>212.5%</b>
12/31/2012	535,789	1,652,742	1,116,953	32.4%	406,712	274.6%
12/31/2011	600,153	1,765,840	1,165,687	34.0%	493,491	236.2%

Schedule of Employer Contributions

Actuarial Valuation Date	Annual Required Contributions (ARC) (a)	Total Contributions (b)	Percentage of ARC Contributed (b/a)
<b>12/31/2013</b>	<b>\$ 156,799</b>	<b>\$ 104,895</b>	<b>67%</b>
12/31/2012	133,442	83,498	63
12/31/2011	144,099	90,901	63

The information above includes the Rock Island Tri-County Consortium, a discretely presented component unit.

The information presented in the required supplementary schedules was determined as part of the actuarial valuation as of December 31, 2011. Additional information follows:

1. The cost method used to determine the required contribution is the entry age method.
2. The assets are shown at fair market value.
3. Economic assumptions are as follows: investment return rate of 7.5 percent, salary increase of 4.0 percent a year, attributable to inflation, salary increase of 0.4 percent to 10 percent a year and postretirement benefit increases of 3.0 percent annually.
4. The amortization method is an open period, level percentage of payroll.

**Rock Island County, Illinois**

**Required Supplementary Information  
Other Postemployment Benefit Plan - County,  
Primary Government**

Schedule of Funding Progress

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
<b>2014</b>	<b>11/30/13</b>	<b>\$ -</b>	<b>\$ 12,951,581</b>	<b>\$ 12,951,581</b>	<b>- %</b>	<b>\$ 21,747,298</b>	<b>59.55%</b>
2013	11/30/13	-	12,462,566	12,462,566	- %	20,711,712	60.17%
2012	11/30/11	-	17,289,916	17,289,916	- %	22,971,245	75.27%

The information presented in the required supplementary schedules was determined as part of the actuarial valuation date as of November 30, 2013. Additional information follows:

- a. The cost method used to determine the ARC is the Entry Age Actuarial Cost method.
- b. There are no plan assets.
- c. The actuarial assumptions included: 1) 5 percent investment rate of return 2) salary increases of 5 percent and 3) health care cost trend rate of 8 percent initially and an ultimate rate of 5 percent.
- d. The amortization method is level percentage of pay on an open basis.

Rock Island County, Illinois

Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund  
Year Ended November 30, 2014

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Fees	\$ 7,177,823	\$ 7,178,202	\$ 5,662,215	\$ (1,515,987)
Property taxes	6,665,000	6,665,000	6,602,071	(62,929)
Intergovernmental	10,023,070	10,179,611	10,523,478	343,867
Investment earnings	41,175	41,175	26,096	(15,079)
Miscellaneous	52,500	52,500	49,002	(3,498)
<b>Total revenues</b>	<b>23,959,568</b>	<b>24,116,488</b>	<b>22,862,862</b>	<b>(1,253,626)</b>
Expenditures:				
Current:				
Salaries and wages	16,632,830	16,764,435	16,336,681	427,754
Personal benefits	2,881,917	2,951,491	2,927,240	24,251
Supplies	318,177	339,932	274,698	65,234
Other services and charges	3,993,681	4,605,009	3,889,476	715,533
Capital outlay	531,807	519,367	312,536	206,831
<b>Total expenditures</b>	<b>24,358,412</b>	<b>25,180,234</b>	<b>23,740,631</b>	<b>1,439,603</b>
<b>Excess (deficiency) of         revenues over expenditures</b>	<b>(398,844)</b>	<b>(1,063,746)</b>	<b>(877,769)</b>	<b>185,977</b>
Other financing sources (uses):				
Transfers in	1,973,318	2,226,080	1,593,583	(632,497)
Transfers out	(1,561,918)	(1,787,367)	(1,392,544)	394,823
Proceeds from sale of capital asset	3,000	3,000	461,695	458,695
<b>Total other financing         sources</b>	<b>414,400</b>	<b>441,713</b>	<b>662,734</b>	<b>221,021</b>
<b>Net change in fund balance</b>	<b>\$ 15,556</b>	<b>\$ (622,033)</b>	<b>\$ (215,035)</b>	<b>\$ 406,998</b>

Reconciliation to GAAP Basis:

Activities reported within the Child Welfare Fund, Working Cash Fund,  
and Sheriff Crime Lab Fund (sub-funds of the General Fund):

Total revenue	\$ 2,133
Total expenditures	922,592
Total other financing sources	(922,592)
Total reconciling items	2,133
<b>Net change in fund balance</b>	<b>(212,902)</b>

Fund balances, beginning of year	4,588,936
Fund balances, end of year	<u>\$ 4,376,034</u>

See Note to Required Supplementary Information.

**Rock Island County, Illinois**

**Required Supplementary Information  
Budgetary Comparison Schedule  
Forest Preserve Commission  
Year Ended November 30, 2014**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Fees	\$ 1,862,600	\$ 1,862,600	\$ 1,983,281	\$ 120,681
Property taxes	2,307,129	2,307,129	2,557,925	250,796
Intergovernmental	285,500	381,873	446,569	64,696
Investment earnings	7,045	7,045	6,264	(781)
Miscellaneous	302,135	302,135	575,279	273,144
<b>Total revenues</b>	<b>4,764,409</b>	<b>4,860,782</b>	<b>5,569,318</b>	<b>708,536</b>
Expenditures:				
Current:				
Salaries and wages	2,094,839	1,943,642	1,941,033	2,609
Personal benefits	602,535	621,744	592,167	29,577
Supplies	493,640	581,401	568,193	13,208
Other services and charges	842,149	1,227,407	1,241,955	(14,548)
Capital outlay	187,225	311,490	394,530	(83,040)
Debt service:				
Principal retirement	120,000	300,000	300,000	-
Interest and fiscal charges	43,638	228,071	228,071	-
<b>Total expenditures</b>	<b>4,384,026</b>	<b>5,213,755</b>	<b>5,265,949</b>	<b>(52,194)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>380,383</b>	<b>(352,973)</b>	<b>303,369</b>	<b>656,342</b>
Other financing sources (uses),				
Transfers from other funds	90,000	90,000	-	(90,000)
Transfers to other funds	(454,433)	-	-	-
Proceeds from sale of capital assets	4,050	4,050	11,878	7,828
<b>Total other financing sources (uses)</b>	<b>(360,383)</b>	<b>94,050</b>	<b>11,878</b>	<b>(82,172)</b>
<b>Net change in fund balance</b>	<b>\$ 20,000</b>	<b>\$ (258,923)</b>	<b>\$ 315,247</b>	<b>\$ 574,170</b>

Reconciliation to GAAP Basis:

Activities reported within the Marvin Martin Trust Fund,  
Golf Course Improvement Fund and Bike Path Project  
Fund (subfunds of the Forest Preserve Commission Fund):

Total revenue	\$ 493,515
Total expenditures	(516,203)
Total reconciling items	(22,688)
<b>Net change in fund balance</b>	<b>292,559</b>

Fund balance, beginning of year	2,236,777
Fund balance, end of year	<u><u>\$ 2,529,336</u></u>

See Note to Required Supplementary Information.

Rock Island County, Illinois

Required Supplementary Information  
Budgetary Comparison Schedule  
Hope Creek Care Center Fund  
Year Ended November 30, 2014

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Fees	\$ 16,449,097	\$ 16,449,097	\$ 15,357,264	\$ (1,091,833)
Investment earnings	3,000	3,046	5,178	2,132
Intergovernmental	-	42,500	42,540	40
Miscellaneous	-	-	108	108
<b>Total revenues</b>	<b>16,452,097</b>	<b>16,494,643</b>	<b>15,405,090</b>	<b>(1,089,553)</b>
Expenditures:				
Current:				
Salaries and wages	10,025,627	9,898,573	8,577,110	1,321,463
Personal benefits	3,704,800	3,538,146	3,228,165	309,981
Supplies	1,480,027	1,482,994	1,283,010	199,984
Other services and charges	2,854,867	3,159,799	2,871,110	288,689
Capital outlay	44,600	88,396	45,140	43,256
Debt service:				
Principal retirement	1,935,000	1,935,000	1,935,000	-
Interest and fiscal charges	1,023,652	1,032,314	1,032,314	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<b>21,068,573</b>	<b>21,135,222</b>	<b>18,971,849</b>	<b>2,163,373</b>
<b>(Deficiency) of revenues over expenditures</b>	<b>(4,616,476)</b>	<b>(4,640,579)</b>	<b>(3,566,759)</b>	<b>1,073,820</b>
Other financing sources (uses):				
Transfers in	2,401,300	2,401,300	2,378,389	(22,911)
Transfers out	(543,987)	(543,987)	-	543,987
Refunding bond issuance	-	-	-	-
Premium on bonds	-	-	-	-
Payments to escrow	-	-	-	-
<b>Total other financing sources</b>	<b>1,857,313</b>	<b>1,857,313</b>	<b>2,378,389</b>	<b>521,076</b>
<b>Net change in fund balance</b>	<b>\$ (2,759,163)</b>	<b>\$ (2,783,266)</b>	<b>\$ (1,188,370)</b>	<b>\$ 1,594,896</b>

Reconciliation to GAAP Basis:

Activities reported within the Nursing Home Tax Levy Fund:

Total revenue	\$ 2,378,389
Total other financing (uses)	(2,378,389)
Total reconciling items	-
<b>Net change in fund balance</b>	<b>(1,188,370)</b>

Fund balance, beginning of year	1,692,087
Fund balance, end of year	<b>\$ 503,717</b>

See Note to Required Supplementary Information.

Rock Island County, Illinois

Required Supplementary Information  
Budgetary Comparison Schedule  
Illinois Municipal Retirement Fund  
Year Ended November 30, 2014

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 3,300,600	\$ 3,300,600	\$ 3,330,637	\$ 30,037
Investment earnings	3,400	3,400	2,903	(497)
<b>Total revenues</b>	<b>3,304,000</b>	<b>3,304,000</b>	<b>3,333,540</b>	<b>29,540</b>
Expenditures:				
Current:				
Personal benefits	2,885,565	2,885,565	2,800,992	84,573
Other services and charges	2,600	2,600	-	2,600
<b>Total expenditures</b>	<b>2,888,165</b>	<b>2,888,165</b>	<b>2,800,992</b>	<b>87,173</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>415,835</b>	<b>415,835</b>	<b>532,548</b>	<b>116,713</b>
Other financing sources (uses):				
Transfers in	1,452	1,452	-	(1,452)
Transfers out	(10,815)	(10,815)	(10,815)	-
<b>Total other financing sources</b>	<b>(9,363)</b>	<b>(9,363)</b>	<b>(10,815)</b>	<b>(1,452)</b>
<b>Net change in fund balance</b>	<b>\$ 406,472</b>	<b>\$ 406,472</b>	<b>521,733</b>	<b>\$ 115,261</b>
Fund balance, beginning of year			1,085,718	
Fund balance, end of year			<u>\$ 1,607,451</u>	

See Note to Required Supplementary Information.

## Rock Island County, Illinois

### Note to Required Supplementary Information Year Ended November 30, 2014

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#### Budgetary Comparison Schedules

The budgetary comparison schedules are presented for the General Fund and the major special revenue funds, Forest Preserve Commission Fund, Hope Creek Care Center Fund and Illinois Municipal Retirement Fund. These schedules are presented on the modified accrual basis of accounting and are, therefore, presented in accordance with accounting principles generally accepted in the United States of America.

Through the implementation of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, various funds were reclassified and are now included with the General Fund. These funds have not been included with the General Fund budgetary comparison schedule as they were not included with the legally adopted budget of the General Fund. The budgetary comparison schedules for the General Fund Sub-Funds are presented as supplementary information.

The Marvin Martin Trust Fund, Golf Course Improvement Fund and Bike Path Project Fund are sub-funds of the Forest Preserve Commission. These funds were not budgeted for the year ended June 30, 2014 and are not included in the budgetary comparison schedule.

There were several budget amendments during the year.

**Budgetary information:** Budgets are prepared using the same accounting basis and practices as are used to account for and prepare financial reports for the funds; thus, budgets presented in this report for comparison to actual amounts are presented in accordance with accounting principles generally accepted in the United States of America.

The County follows these procedures in establishing their operational budget:

1. At a regular or special call meeting of the County Board in October or November, the proposed budget by fund for the fiscal year commencing on the following December 1 is submitted. The budget includes proposed expenditures and the means of financing them.
2. Prior to December 1, the budget is legally enacted through passage of an appropriation ordinance.
3. Transfers of budgeted amounts among a fund's object classifications, or any budget increases by means of an emergency or supplemental appropriations, require approval by two-thirds of the County Board members. Adjustments made during the year are reflected in the budget information included in the basic financial statements. The original budget was increased by \$3,662,629, primarily due to the availability of revenues during the year from grants and unexpected changes in various costs and building improvements not originally budgeted for.
4. Budgets for the General and certain special revenue funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
5. Expenditures may not legally exceed the total amount of the revised budget appropriations of individual funds.

**Rock Island County, Illinois**

**Note to Required Supplementary Information**  
**Year Ended November 30, 2014**

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The following fund overexpended their budgeted amounts during the year:

	Final Budget	Actual	Amount Over Final Budget
Forest Preserve Commission	\$ 5,213,755	\$ 5,265,949	\$ 52,194

Formal budgetary integration is employed as a management control device during the year for the General Fund and most special revenue funds. The Workforce Investment Act and Metropolitan Enforcement Group Special Revenue Funds and Capital Project Fund were not budgeted for the year ended November 30, 2014 and are not included in the Budgetary Comparison Schedules.

# Rock Island County, Illinois

## Schedule of Revenues and Other Financing Sources - Budget and Actual General Fund Year Ended November 30, 2014

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Fees:				
Circuit clerk fees	\$ 2,775,000	\$ 2,775,000	\$ 2,051,908	\$ (723,092)
County recorder fees	978,800	978,800	511,344	(467,456)
States attorney fees	38,760	38,760	31,310	(7,450)
County sheriff fees	662,109	662,109	336,381	(325,728)
Other	2,723,154	2,723,533	2,731,272	7,739
<b>Total fees</b>	<b>7,177,823</b>	<b>7,178,202</b>	<b>5,662,215</b>	<b>(1,515,987)</b>
Property taxes:				
Property taxes	5,964,000	5,964,000	5,942,310	(21,690)
Penalties and interest	701,000	701,000	659,761	(41,239)
<b>Total property taxes</b>	<b>6,665,000</b>	<b>6,665,000</b>	<b>6,602,071</b>	<b>(62,929)</b>
Intergovernmental:				
Salary reimbursements	1,121,419	1,121,419	969,920	(151,499)
Sales and use tax	4,650,000	4,650,000	4,896,798	246,798
State income tax	1,700,000	1,700,000	1,694,378	(5,622)
Tax replacement revenue	2,000,000	2,000,000	2,447,607	447,607
Other	551,651	708,192	514,775	(193,417)
<b>Total intergovernmental</b>	<b>10,023,070</b>	<b>10,179,611</b>	<b>10,523,478</b>	<b>343,867</b>
Investment earnings	41,175	41,175	26,096	(15,079)
Miscellaneous	52,500	52,500	49,002	(3,498)
<b>Total revenues</b>	<b>23,959,568</b>	<b>24,116,488</b>	<b>22,862,862</b>	<b>(1,253,626)</b>
Other financing sources:				
Transfers from other funds	1,973,318	2,226,080	1,593,583	(632,497)
Proceeds from sale of fixed asset	3,000	3,000	461,695	458,695
<b>Total other financing sources</b>	<b>1,976,318</b>	<b>2,229,080</b>	<b>2,055,278</b>	<b>(173,802)</b>
<b>Total revenues and other financing sources</b>	<b>\$ 25,935,886</b>	<b>\$ 26,345,568</b>	<b>\$ 24,918,140</b>	<b>\$ (1,427,428)</b>

Rock Island County, Illinois

**Schedule of Expenditures by Department and Other Financing Uses - Budget and Actual**  
**General Fund**  
**Year Ended November 30, 2014**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Expenditures:				
Assessment Map:				
Salaries and wages	\$ 210,456	\$ 210,456	\$ 210,456	\$ -
Supplies	1,310	1,310	1,208	102
Other services and charges	29,297	29,297	19,747	9,550
Capital outlay	1,350	1,350	1,244	106
<b>Total</b>	<b>242,413</b>	<b>242,413</b>	<b>232,655</b>	<b>9,758</b>
Auditor:				
Salaries and wages	212,308	210,997	205,210	5,787
Supplies	406	406	307	99
Other services and charges	5,485	5,485	4,306	1,179
Capital outlay	-	1,311	980	331
<b>Total</b>	<b>218,199</b>	<b>218,199</b>	<b>210,803</b>	<b>7,396</b>
County Board:				
Salaries and wages	177,802	177,802	175,079	2,723
Supplies	1,480	1,480	1,285	195
Other services and charges	11,330	199,702	36,214	163,488
Capital outlays	-	13,500	13,500	-
<b>Total</b>	<b>190,612</b>	<b>392,484</b>	<b>226,078</b>	<b>166,406</b>
Circuit Clerk, salaries and wages	1,384,835	1,384,835	1,360,623	24,212
Circuit Court:				
Salaries and wages	100,504	100,504	99,788	716
Supplies	2,244	2,733	2,295	438
Other services and charges	342,175	457,497	454,584	2,913
<b>Total</b>	<b>444,923</b>	<b>560,734</b>	<b>556,667</b>	<b>4,067</b>
Civil Defense:				
Salaries and wages	52,054	67,257	51,054	16,203
Supplies	3,850	3,566	3,458	108
Other services and charges	43,743	32,461	27,995	4,466
<b>Total</b>	<b>99,647</b>	<b>103,284</b>	<b>82,507</b>	<b>20,777</b>

(Continued)

# Rock Island County, Illinois

## Schedule of Expenditures by Department and Other Financing Uses - Budget and Actual (Continued)

### General Fund

### Year Ended November 30, 2014

	Budget		Actual	Variance with Final Budget
	Original	Final		
County Clerk:				
Salaries and wages	\$ 565,134	\$ 580,644	\$ 580,017	\$ 627
Supplies	9,275	9,614	8,855	759
Other services and charges	229,587	287,556	286,974	582
<b>Total</b>	<b>803,996</b>	<b>877,814</b>	<b>875,846</b>	<b>1,968</b>
Coroner:				
Salaries and wages	199,620	199,620	183,626	15,994
Personal benefits	-	430	430	-
Supplies	-	3,078	3,078	-
Other services and charges	65,000	65,000	62,168	2,832
<b>Total</b>	<b>264,620</b>	<b>268,128</b>	<b>249,302</b>	<b>18,826</b>
Information Systems:				
Salaries and wages	339,702	340,487	340,487	-
Supplies	12,637	22,924	20,289	2,635
Other services and charges	111,212	139,548	135,613	3,935
Capital outlay	77,396	43,988	6,297	37,691
<b>Total</b>	<b>540,947</b>	<b>546,947</b>	<b>502,686</b>	<b>44,261</b>
Liquor Commission, other services and charges	50	50	30	20
Building Maintenance:				
Salaries and wages	124,244	129,855	129,855	-
Supplies	9,950	6,825	6,102	723
Other services and charges	26,865	50,848	48,079	2,769
Capital outlay	7,500	7,500	7,500	-
<b>Total</b>	<b>168,559</b>	<b>195,028</b>	<b>191,536</b>	<b>3,492</b>
County Zoning:				
Salaries and wages	244,753	244,753	228,323	16,430
Supplies	1,000	7,025	6,684	341
Other services and charges	31,197	25,172	22,489	2,683
<b>Total</b>	<b>276,950</b>	<b>276,950</b>	<b>257,496</b>	<b>19,454</b>

(Continued)

Rock Island County, Illinois

**Schedule of Expenditures by Department and Other Financing Uses - Budget and Actual (Continued)**  
**General Fund**  
**Year Ended November 30, 2014**

	Budget		Actual	Variance with Final Budget
	Original	Final		
General County Services:				
Salaries and wages	\$ 480	\$ 480	\$ 480	\$ -
Personal benefits	2,786,465	2,855,684	2,855,684	-
Supplies	4,700	5,937	1,264	4,673
Other services and charges	701,005	857,161	526,486	330,675
Capital outlay	1,400	1,400	-	1,400
<b>Total</b>	<b>3,494,050</b>	<b>3,720,662</b>	<b>3,383,914</b>	<b>336,748</b>
Court Services:				
Salaries and wages	2,094,373	2,094,373	1,986,458	107,915
Supplies	5,900	4,626	4,625	1
Other services and charges	83,200	83,202	56,638	26,564
Capital Outlay	-	1,273	1,273	-
<b>Total</b>	<b>2,183,473</b>	<b>2,183,474</b>	<b>2,048,994</b>	<b>134,480</b>
Recorder:				
Salaries and wages	344,834	344,834	325,532	19,302
Supplies	300	300	78	222
Other services and charges	2,790	2,790	2,337	453
<b>Total</b>	<b>347,924</b>	<b>347,924</b>	<b>327,947</b>	<b>19,977</b>
Sheriff:				
Salaries and wages	8,064,326	8,075,926	7,956,134	119,792
Personal benefits	94,452	94,452	71,126	23,326
Supplies	248,796	252,997	197,424	55,573
Other services and charges	2,172,012	2,240,239	2,079,528	160,711
Capital outlay	444,161	449,045	281,742	167,303
<b>Total</b>	<b>11,023,747</b>	<b>11,112,659</b>	<b>10,585,954</b>	<b>526,705</b>
States Attorney:				
Salaries and wages	1,443,931	1,527,560	1,527,560	-
Supplies	12,329	12,329	12,289	40
Other services and charges	66,828	58,381	58,381	-
<b>Total</b>	<b>1,523,088</b>	<b>1,598,270</b>	<b>1,598,230</b>	<b>40</b>
Superintendent of Educational Services Region:				
Salaries and wages	47,216	47,216	38,321	8,895
Other services and charges	19,003	19,003	18,496	507
<b>Total</b>	<b>66,219</b>	<b>66,219</b>	<b>56,817</b>	<b>9,402</b>

(Continued)

Rock Island County, Illinois

**Schedule of Expenditures by Department and Other Financing Uses - Budget and Actual (Continued)**  
**General Fund**  
**Year Ended November 30, 2014**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Treasurer:				
Salaries and wages	\$ 311,067	\$ 311,773	\$ 311,773	\$ -
Supplies	1,000	925	925	-
Other services and charges	42,465	41,834	40,999	835
<b>Total</b>	<b>354,532</b>	<b>354,532</b>	<b>353,697</b>	<b>835</b>
Board of Review:				
Salaries and wages	54,001	54,001	54,000	1
Supplies	750	1,549	1,540	9
Other services and charges	3,785	2,986	1,616	1,370
<b>Total</b>	<b>58,536</b>	<b>58,536</b>	<b>57,156</b>	<b>1,380</b>
Public Defender:				
Salaries and wages	661,190	661,062	571,905	89,157
Supplies	3,250	3,233	2,992	241
Other services and charges	6,652	6,797	6,796	1
<b>Total</b>	<b>671,092</b>	<b>671,092</b>	<b>581,693</b>	<b>89,399</b>
Total General Fund:				
Salaries and wages	16,632,830	16,764,435	16,336,681	427,754
Personal benefits	2,881,917	2,951,491	2,927,240	24,251
Supplies	318,177	339,932	274,698	65,234
Other services and charges	3,993,681	4,605,009	3,889,476	715,533
Capital outlay	531,807	519,367	312,536	206,831
<b>Total expenditures</b>	<b>24,358,412</b>	<b>25,180,234</b>	<b>23,740,631</b>	<b>1,439,603</b>
Other financing uses, transfers to other funds	1,561,918	1,787,367	1,392,544	394,823
<b>Total expenditures and other financing uses</b>	<b>\$ 25,920,330</b>	<b>\$ 26,967,601</b>	<b>\$ 25,133,175</b>	<b>\$ 1,834,426</b>

Rock Island County, Illinois

Statement of Revenues, Expenditures and Changes in  
Fund Balances - Budget and Actual -  
General Fund Sub-Funds  
Year Ended November 30, 2014

	Child Welfare Fund		Working Cash Fund	
	Budget	Actual	Budget	Actual
Revenues:				
Fees	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	500	1,157
<b>Total revenues</b>	-	-	500	1,157
Expenditures, current operating, other services and charges	930,000	922,592	-	-
<b>Excess (deficiency) of         revenues over expenditures</b>	(930,000)	(922,592)	500	1,157
Other financing sources (uses):				
Transfers in	930,000	922,592	-	-
Transfers out	-	-	-	-
<b>Total other financing         sources (uses)</b>	930,000	922,592	-	-
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>-</u>	<u>\$ 500</u>	<u>1,157</u>
Fund balances, beginning of year		-		521,450
Fund balances, end of year	<u>\$ -</u>	<u>-</u>	<u>\$</u>	<u>522,607</u>

Sheriff Crime Lab Fund			
Budget		Actual	
\$	1,000	\$	961
	-		15
	1,000		976
	-		-
	1,000		976
	-		-
	-		-
	-		-
\$	1,000		976
			4,131
		\$	5,107

Rock Island County, Illinois

Statement of Revenues, Expenditures and Changes in  
Fund Balances - Budget and Actual -  
Hope Creek Care Center Fund Sub-Fund  
Year Ended November 30, 2014

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		Nursing Home Tax Levy Fund	
		Budget	Actual
Revenues:			
Property taxes		\$ 2,401,000	\$ 2,378,109
Investment earnings		300	280
<b>Total revenues</b>		<b>2,401,300</b>	<b>2,378,389</b>
Other financing (uses), transfers out		(2,401,300)	(2,378,389)
<b>Net change in fund balance</b>		<b>\$ -</b>	<b>-</b>
Fund balances, beginning of year			-
Fund balances, end of year			<b>\$ -</b>

## **Nonmajor Governmental Funds**

**Special Revenue Funds:** are used to account for the proceeds of specific revenue sources.

Animal Control Fund: To account for revenue received from pet licenses and fines.

Arrestee Medical Costs Fund: To account for funds used to provide medical care to arrestees.

Child Advocacy Fund: To account for property tax revenue distributed to the Child Advocacy Center.

Collector Tax Fee Fund: To account for revenue received from the County's property tax sale.

Community Mental Health Fund: To account for property tax revenue used to provide mental health services.

COPS Grant Fund: To account for grant funds used to pay sheriff salaries and benefits.

County Bridge Fund: To account for property tax revenue used for bridge study, design and construction.

County Clerk Document Fund: To account for funds used to automate records in the County Clerk's office.

County Extension Education Fund: To account for property tax revenue used to provide educational services to the community.

County Health Fund: To account for property tax and grant revenue used to support programs conducted by the Health Department.

County Highway Fund: To account for property tax revenue used for general maintenance and improvements to highways.

County Law Library Fund: To account for fee revenue used to purchase law books.

Court Automation Fund: To account for funds used to automate records in the Circuit Clerk's office.

Court Document Storage Fund: To account for funds used to store records in the Circuit Clerk's office.

Court Security Fund: To account for funds used to purchase court security equipment and pay bailiffs.

Federal Social Security Fund: To account for property tax revenue used to pay FICA taxes.

GIS 2005 Fund: To account for fee revenue used to computerize the mapping system.

Hillsdale Special Service Area Fund: To account for property tax revenues used for flood control of levies.

Workforce Investment Act Fund: To account for grant revenue passed on to the Rock Island Tri-County Consortium.

Maintenance and Child Support Collection Fund: To account for fee revenue used to administer the child support program.

Metropolitan Enforcement Group Fund: To account for funds passed through to one of nine drug enforcement groups in the state of Illinois.

Motor Fuel Tax Fund: To account for engineering costs, contract construction, snow removal, sign maintenance and right of ways.

Probation Services Fee Fund: To account for fee revenue used to provide judicial services.

Recorders Document Fund: To account for funds used to automate records in the Recorder's office.

States Attorney Drug Enforcement Fund: To account for revenues from drug prosecutions used for drug enforcement and education.

Treasurer's Automation Fund: To account for funds used to automate records in the Treasurer's office.

Veterans Assistance Fund: To account for property tax revenue used in assistance for veterans.

Zuma-Canoe Creek Special Service Area Fund: To account for property tax revenue used for flood control of levies.

Circuit Clerk Administration Cost Fund: To account for revenue received from court fees to be used for the administrative and operation costs of the Circuit Clerk.

Hotel/Motel Tax Fund: To account for revenue received from hotel/motel tax.

Drug Court Grant Fund: To account for grant revenue used to provide alcohol and drug treatment services.

Coroner Fee Fund: To account for revenue received from coroner fees to be used for the administrative and operation costs of the Coroner.

Federal Seized and Forfeited Property Fund: To account for revenues from seized or forfeited of federal property to the Sheriff's Department. To help facilitate the reporting to the federal government on how the funds are being collected and used.

Covemakers Buy-Out Fund: To account for grant revenue used in flood buy-outs.

IDOT Grant Fund: To account for IDOT grant revenues.

Liability Insurance Fund: To account for property tax used to pay liability claims for self-insurance or in defense and prevention thereof.

**Debt Service Fund**: is used to account for the accumulation of resources for, and the payment of, County long-term debt principal, interest and related costs.

**Capital Project Fund**: is used to account for funds used to purchase or maintain County buildings. Also, bond proceeds are received into the fund and expended as capital outlay is incurred.

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Rock Island County, Illinois

Combining Balance Sheet  
Nonmajor Governmental Funds  
November 30, 2014

	Total	Special Revenue		
		Animal Control Fund	Arrestee Medical Costs Fund	Child Advocacy Fund
<b>Assets</b>				
Cash and cash equivalents	\$ 14,425,433	\$ 228,122	\$ 12,413	\$ -
Receivables:				
Property taxes receivable	10,778,596	-	-	72,666
Accounts receivable	299,261	31,629	-	-
Accrued interest receivable	3,438	63	3	2
Due from other funds	33,258	-	-	-
Due from other governmental units	1,656,962	-	1,414	-
Other assets	13,493	-	-	-
Advances to other funds	431,850	-	-	-
<b>Total assets</b>	<b>\$ 27,642,291</b>	<b>\$ 259,814</b>	<b>\$ 13,830</b>	<b>\$ 72,668</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)</b>				
Liabilities:				
Accounts payable	\$ 1,034,479	\$ 38,354	\$ -	\$ 2,667
Accrued liabilities	433,553	236,185	-	-
Due to other funds	143,538	4,995	-	-
Due to other governmental units	822	822	-	-
Unearned revenues	748,010	-	-	-
Advances from other funds	597,850	124,000	-	-
<b>Total liabilities</b>	<b>2,958,252</b>	<b>404,356</b>	<b>-</b>	<b>2,667</b>
Deferred inflows of resources:				
Unavailable revenue - property taxes	10,407,195	-	-	70,000
Unavailable revenue - intergovernmental	352,239	-	-	-
<b>Total deferred inflows of resources</b>	<b>10,759,434</b>	<b>-</b>	<b>-</b>	<b>70,000</b>
Fund balances (deficits):				
Nonspendable	13,493	-	-	-
Restricted	14,106,412	-	13,830	1
Assigned	4,727	-	-	-
Unassigned	(200,027)	(144,542)	-	-
<b>Total fund balances (deficits)</b>	<b>13,924,605</b>	<b>(144,542)</b>	<b>13,830</b>	<b>1</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 27,642,291</b>	<b>\$ 259,814</b>	<b>\$ 13,830</b>	<b>\$ 72,668</b>

(Continued)

Special Revenue						
Collector Tax Fee Fund	Community Mental Health Fund	COPS Grant Fund	County Bridge Fund	County Clerk Document Fund	County Extension Education Fund	
\$ 110,579	\$ 777,950	\$ -	\$ 564,558	\$ 82,289	\$ -	
-	1,701,739	-	548,473	-	233,530	
-	238	-	78,796	4,711	-	
30	211	-	145	22	5	
-	-	-	-	-	-	
61,140	-	31,244	-	-	-	
-	5,536	-	-	-	-	
-	-	-	-	-	-	
<u>\$ 171,749</u>	<u>\$ 2,485,674</u>	<u>\$ 31,244</u>	<u>\$ 1,191,972</u>	<u>\$ 87,022</u>	<u>\$ 233,535</u>	
\$ -	\$ 266,279	\$ -	\$ -	\$ -	\$ 8,535	
-	1,139	14,604	-	-	-	
9,000	2,574	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>9,000</u>	<u>269,992</u>	<u>14,604</u>	<u>-</u>	<u>-</u>	<u>8,535</u>	
-	1,647,008	-	529,460	-	225,000	
-	-	-	-	-	-	
-	1,647,008	-	529,460	-	225,000	
-	5,536	-	-	-	-	
162,749	563,138	16,640	662,512	87,022	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>162,749</u>	<u>568,674</u>	<u>16,640</u>	<u>662,512</u>	<u>87,022</u>	<u>-</u>	
\$ 171,749	\$ 2,485,674	\$ 31,244	\$ 1,191,972	\$ 87,022	\$ 233,535	

Rock Island County, Illinois

Combining Balance Sheet (Continued)  
Nonmajor Governmental Funds  
November 30, 2014

	Special Revenue			
	County Health Fund	County Highway Fund	County Law Library Fund	Court Automation Fund
<b>Assets</b>				
Cash and cash equivalents	\$ 146,942	\$ 1,999,869	\$ 52,070	\$ 1,300,701
Receivables:				
Property taxes receivable	1,223,564	1,373,748	-	-
Accounts receivable	112,540	210	5,847	-
Accrued interest receivable	84	545	16	302
Due from other funds	3,480	-	-	-
Due from other governmental units	1,085,047	-	-	15,836
Other assets	2,770	4,515	-	-
Advances to other funds	-	-	-	-
<b>Total assets</b>	<b>\$ 2,574,427</b>	<b>\$ 3,378,887</b>	<b>\$ 57,933</b>	<b>\$ 1,316,839</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)</b>				
Liabilities:				
Accounts payable	\$ 89,862	\$ 47,123	\$ 6,317	\$ 65,207
Accrued liabilities	69,120	24,260	-	-
Due to other funds	104,429	8,943	-	561
Due to other governmental units	-	-	-	-
Unearned revenues	19,945	90,959	-	-
Advances from other funds	-	-	-	-
<b>Total liabilities</b>	<b>283,356</b>	<b>171,285</b>	<b>6,317</b>	<b>65,768</b>
Deferred inflows of resources:				
Unavailable revenue - property taxes	1,189,979	1,326,125	-	-
Unavailable revenue - intergovernmental	352,239	-	-	-
<b>Total deferred inflows of     resources</b>	<b>1,542,218</b>	<b>1,326,125</b>	<b>-</b>	<b>-</b>
Fund balances (deficits):				
Nonspendable	2,770	4,515	-	-
Restricted	746,083	1,876,962	51,616	1,251,071
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>748,853</b>	<b>1,881,477</b>	<b>51,616</b>	<b>1,251,071</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 2,574,427</b>	<b>\$ 3,378,887</b>	<b>\$ 57,933</b>	<b>\$ 1,316,839</b>

(Continued)

Special Revenue						
Court Document Storage Fund	Court Security Fund	Federal Social Security Fund	GIS 2005 Fund	Hillsdale Special Service Area Fund	Maintenance and Child Support Collection Fund	
\$ 861,533	\$ -	\$ 1,049,799	\$ 190,498	\$ 33,168	\$ 4,783	
-	-	1,349,045	-	9,507	-	
-	-	-	1,500	-	358	
230	-	280	51	9	-	
-	-	-	1,660	-	-	
16,452	17,262	-	120	-	7,119	
-	-	-	-	-	-	
35,000	-	-	-	-	-	
<u>\$ 913,215</u>	<u>\$ 17,262</u>	<u>\$ 2,399,124</u>	<u>\$ 193,829</u>	<u>\$ 42,684</u>	<u>\$ 12,260</u>	
\$ 9,853	\$ -	\$ -	\$ 378	\$ 372	\$ -	
320	8,007	26,037	2,349	-	-	
1,039	-	-	2	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	22,000	-	-	-	55,000	
<u>11,212</u>	<u>30,007</u>	<u>26,037</u>	<u>2,729</u>	<u>372</u>	<u>55,000</u>	
-	-	1,300,000	-	8,400	-	
-	-	-	-	-	-	
-	-	1,300,000	-	8,400	-	
-	-	-	-	-	-	
902,003	-	1,073,087	191,100	33,912	-	
-	-	-	-	-	-	
-	(12,745)	-	-	-	(42,740)	
<u>902,003</u>	<u>(12,745)</u>	<u>1,073,087</u>	<u>191,100</u>	<u>33,912</u>	<u>(42,740)</u>	
\$ 913,215	\$ 17,262	\$ 2,399,124	\$ 193,829	\$ 42,684	\$ 12,260	

Rock Island County, Illinois

Combining Balance Sheet (Continued)  
Nonmajor Governmental Funds  
November 30, 2014

	Special Revenue			
	Motor Fuel Tax Fund	Probation Services Fee Fund	Recorders Document Fund	States Attorney Drug Enforcement Fund
<b>Assets</b>				
Cash and cash equivalents	\$ 3,121,491	\$ 996,497	\$ 197,225	\$ 190,619
Receivables:				
Property taxes receivable	-	-	-	-
Accounts receivable	230	20,362	-	16,217
Accrued interest receivable	834	-	55	-
Due from other funds	-	2,187	1,482	-
Due from other governmental units	338,502	-	-	742
Other assets	-	-	-	-
Advances to other funds	-	-	-	-
<b>Total assets</b>	<b>\$ 3,461,057</b>	<b>\$ 1,019,046</b>	<b>\$ 198,762</b>	<b>\$ 207,578</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)</b>				
Liabilities:				
Accounts payable	\$ 153,475	\$ 17,629	\$ 18,815	\$ 7,082
Accrued liabilities	3,911	40	2,816	462
Due to other funds	-	4,956	40	4,592
Due to other governmental units	-	-	-	-
Unearned revenues	-	5,398	-	-
Advances from other funds	-	-	-	-
<b>Total liabilities</b>	<b>157,386</b>	<b>28,023</b>	<b>21,671</b>	<b>12,136</b>
Deferred inflows of resources:				
Unavailable revenue - property taxes	-	-	-	-
Unavailable revenue - intergovernmental	-	-	-	-
<b>Total deferred inflows of     resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances (deficits):				
Nonspendable	-	-	-	-
Restricted	3,303,671	991,023	177,091	195,442
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>3,303,671</b>	<b>991,023</b>	<b>177,091</b>	<b>195,442</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 3,461,057</b>	<b>\$ 1,019,046</b>	<b>\$ 198,762</b>	<b>\$ 207,578</b>

(Continued)

Special Revenue						
Treasurer's Automation Fund	Veterans Assistance Fund	Zuma-Canoe Creek Special Service Area Fund	Circuit Clerk Administration Cost Fund	Hotel/Motel Tax Fund	Drug Court Grant Fund	
\$ 101,402	\$ 496,563	\$ 123,322	\$ 142,081	\$ 80,020	\$ 168,205	
-	363,327	42,492	-	-	-	
18,606	-	-	1,633	-	2,035	
27	131	32	38	22	46	
-	-	-	-	-	-	
1,880	-	-	-	78,813	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>\$ 121,915</u>	<u>\$ 860,021</u>	<u>\$ 165,846</u>	<u>\$ 143,752</u>	<u>\$ 158,855</u>	<u>\$ 170,286</u>	
\$ 7,768	\$ 10,217	\$ 795	\$ -	\$ 75,600	\$ 10,272	
-	3,199	-	404	-	-	
-	98	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>7,768</u>	<u>13,514</u>	<u>795</u>	<u>404</u>	<u>75,600</u>	<u>10,272</u>	
-	350,000	39,500	-	-	-	
-	-	-	-	-	-	
-	350,000	39,500	-	-	-	
-	-	-	-	-	-	
114,147	496,507	125,551	143,348	83,255	160,014	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>114,147</u>	<u>496,507</u>	<u>125,551</u>	<u>143,348</u>	<u>83,255</u>	<u>160,014</u>	
<u>\$ 121,915</u>	<u>\$ 860,021</u>	<u>\$ 165,846</u>	<u>\$ 143,752</u>	<u>\$ 158,855</u>	<u>\$ 170,286</u>	

Rock Island County, Illinois

Combining Balance Sheet (Continued)  
Nonmajor Governmental Funds  
November 30, 2014

	Special Revenue			
	Coroner Fee Fund	Federal Seized and Forfeited Property Fund	Covemakers Buy-Out Fund	IDOT Grant Fund
<b>Assets</b>				
Cash and cash equivalents	\$ 47,330	\$ 43,176	\$ 599,869	\$ 42,146
Receivables:				
Property taxes receivable	-	-	-	-
Accounts receivable	2,000	-	-	-
Accrued interest receivable	12	12	-	-
Due from other funds	-	-	-	-
Due from other governmental units	-	-	-	327
Other assets	-	-	-	-
Advances to other funds	-	-	-	-
<b>Total assets</b>	<b>\$ 49,342</b>	<b>\$ 43,188</b>	<b>\$ 599,869</b>	<b>\$ 42,473</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)</b>				
Liabilities:				
Accounts payable	\$ 1,151	\$ 2,524	\$ 7,879	\$ -
Accrued liabilities	-	-	1,820	-
Due to other funds	1,013	-	-	327
Due to other governmental units	-	-	-	-
Unearned revenues	-	-	589,571	42,137
Advances from other funds	-	-	-	-
<b>Total liabilities</b>	<b>2,164</b>	<b>2,524</b>	<b>599,270</b>	<b>42,464</b>
Deferred inflows of resources:				
Unavailable revenue - property taxes	-	-	-	-
Unavailable revenue - intergovernmental	-	-	-	-
<b>Total deferred inflows of     resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances (deficits):				
Nonspendable	-	-	-	-
Restricted	47,178	40,664	599	9
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>47,178</b>	<b>40,664</b>	<b>599</b>	<b>9</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 49,342</b>	<b>\$ 43,188</b>	<b>\$ 599,869</b>	<b>\$ 42,473</b>

(Continued)

Special Revenue		
Liability Insurance Fund	Debt Service Fund	Capital Project Fund
\$ 659,996	\$ -	\$ 217
2,381,208	1,479,297	-
2,349	-	-
195	36	-
24,449	-	-
1,064	-	-
672	-	-
-	-	396,850
<u>\$ 3,069,933</u>	<u>\$ 1,479,333</u>	<u>\$ 397,067</u>
\$ 128,715	\$ 57,610	\$ -
38,880	-	-
969	-	-
-	-	-
-	-	-
-	-	396,850
<u>168,564</u>	<u>57,610</u>	<u>396,850</u>
2,300,000	1,421,723	-
-	-	-
<u>2,300,000</u>	<u>1,421,723</u>	<u>-</u>
672	-	-
595,970	-	217
4,727	-	-
-	-	-
<u>601,369</u>	<u>-</u>	<u>217</u>
<u>\$ 3,069,933</u>	<u>\$ 1,479,333</u>	<u>\$ 397,067</u>

Rock Island County, Illinois

**Combining Statement of Revenues, Expenditures and Changes in  
Fund Balances (Deficits)  
Nonmajor Governmental Funds  
Year Ended November 30, 2014**

	Total	Special Revenue		
		Animal Control Fund	Arrestee Medical Costs Fund	Child Advocacy Fund
Revenues:				
Fees	\$ 3,295,517	\$ 771,064	\$ 20,181	\$ -
Property taxes	9,864,085	-	-	71,384
Intergovernmental	10,343,804	-	-	-
Investment earnings	40,756	821	22	10
Miscellaneous	1,336,868	407,835	-	-
<b>Total revenues</b>	<b>24,881,030</b>	<b>1,179,720</b>	<b>20,203</b>	<b>71,394</b>
Expenditures:				
Current:				
General government	3,855,120	-	-	-
Public safety	1,765,841	832,429	-	-
Corrections	65,379	-	-	-
Judiciary and legal	1,409,413	-	-	-
Transportation and public works	5,560,272	-	-	-
Social services	8,322,325	-	-	71,393
Capital outlay	966,233	4,658	-	-
Debt service:				
Principal retirement	825,000	-	-	-
Interest and fiscal charges	216,510	-	-	-
<b>Total expenditures</b>	<b>22,986,093</b>	<b>837,087</b>	<b>-</b>	<b>71,393</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>1,894,937</b>	<b>342,633</b>	<b>20,203</b>	<b>1</b>
Other financing sources (uses):				
Transfers in	958,902	-	-	-
Transfers out	(2,038,742)	(200,000)	(10,000)	-
<b>Total other financing sources (uses)</b>	<b>(1,079,840)</b>	<b>(200,000)</b>	<b>(10,000)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>815,097</b>	<b>142,633</b>	<b>10,203</b>	<b>1</b>
Fund balances (deficits), beginning of year	13,109,508	(287,175)	3,627	-
Fund balances (deficits), end of year	<b>\$ 13,924,605</b>	<b>\$ (144,542)</b>	<b>\$ 13,830</b>	<b>\$ 1</b>

(Continued)

Special Revenue					
Collector Tax Fee Fund	Community Mental Health Fund	COPS Grant Fund	County Bridge Fund	County Clerk Document Fund	County Extension Education Fund
\$ 61,140	\$ -	\$ -	\$ -	\$ 40,489	\$ -
-	1,465,057	-	505,846	-	228,425
-	-	602,388	-	-	-
409	2,790	-	2,153	285	27
-	-	13,569	448,818	-	-
61,549	1,467,847	615,957	956,817	40,774	228,452
11,926	-	-	-	6,820	-
-	-	899,120	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,027,914	-	-
-	1,279,243	-	-	-	228,452
-	-	-	-	15,595	-
-	-	-	-	-	-
-	-	-	-	-	-
11,926	1,279,243	899,120	1,027,914	22,415	228,452
49,623	188,604	(283,163)	(71,097)	18,359	-
-	-	275,790	-	-	-
(41,548)	(38,603)	-	(4,685)	(7,198)	-
(41,548)	(38,603)	275,790	(4,685)	(7,198)	-
8,075	150,001	(7,373)	(75,782)	11,161	-
154,674	418,673	24,013	738,294	75,861	-
\$ 162,749	\$ 568,674	\$ 16,640	\$ 662,512	\$ 87,022	\$ -

Rock Island County, Illinois

**Combining Statement of Revenues, Expenditures and Changes in  
Fund Balances (Deficits) (Continued)  
Nonmajor Governmental Funds  
Year Ended November 30, 2014**

	Special Revenue			
	County Health Fund	County Highway Fund	County Law Library Fund	Court Automation Fund
Revenues:				
Fees	\$ 476,593	\$ 3,121	\$ 78,231	\$ 222,769
Property taxes	897,582	1,273,295	-	-
Intergovernmental	3,374,122	8,532	-	-
Investment earnings	1,286	5,464	238	4,154
Miscellaneous	6,718	431,097	-	-
<b>Total revenues</b>	<b>4,756,301</b>	<b>1,721,509</b>	<b>78,469</b>	<b>226,923</b>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Corrections	-	-	-	-
Judiciary and legal	-	-	96,370	181,323
Transportation and public works	-	1,307,284	-	-
Social services	4,510,461	-	-	-
Capital outlay	35,166	30,411	-	134,595
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>4,545,627</b>	<b>1,337,695</b>	<b>96,370</b>	<b>315,918</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>210,674</b>	<b>383,814</b>	<b>(17,901)</b>	<b>(88,995)</b>
Other financing sources (uses):				
Transfers in	31,454	65,277	-	1,500
Transfers out	(334,346)	(310,450)	(13,327)	(7,097)
<b>Total other financing sources (uses)</b>	<b>(302,892)</b>	<b>(245,173)</b>	<b>(13,327)</b>	<b>(5,597)</b>
<b>Net change in fund balances</b>	<b>(92,218)</b>	<b>138,641</b>	<b>(31,228)</b>	<b>(94,592)</b>
Fund balances (deficits), beginning of year	841,071	1,742,836	82,844	1,345,663
Fund balances (deficits), end of year	<b>\$ 748,853</b>	<b>\$ 1,881,477</b>	<b>\$ 51,616</b>	<b>\$ 1,251,071</b>

(Continued)

Special Revenue						
Court Document Storage Fund	Court Security Fund	Federal Social Security Fund	GIS 2005 Fund	Hillsdale Special Service Area Fund	Workforce Investment Act Fund	
\$ 243,581	\$ 240,275	\$ -	\$ 220,236	\$ -	\$ -	
-	-	1,313,066	-	8,313	-	
-	-	-	-	-	1,968,833	
2,903	-	2,734	683	107	-	
-	-	823	-	-	-	
246,484	240,275	1,316,623	220,919	8,420	1,968,833	
-	-	1,234,112	240,401	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
199,093	425,406	-	-	-	-	
-	-	-	-	5,163	-	
-	-	-	-	-	1,968,833	
4,297	-	-	4,118	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
203,390	425,406	1,234,112	244,519	5,163	1,968,833	
43,094	(185,131)	82,511	(23,600)	3,257	-	
-	184,759	-	-	-	-	
(9,332)	-	(8,426)	(28,973)	-	-	
(9,332)	184,759	(8,426)	(28,973)	-	-	
33,762	(372)	74,085	(52,573)	3,257	-	
868,241	(12,373)	999,002	243,673	30,655	-	
\$ 902,003	\$ (12,745)	\$ 1,073,087	\$ 191,100	\$ 33,912	\$ -	

Rock Island County, Illinois

**Combining Statement of Revenues, Expenditures and Changes in  
Fund Balances (Deficits) (Continued)  
Nonmajor Governmental Funds  
Year Ended November 30, 2014**

	Special Revenue			
	Maintenance and Child Support Collection Fund	Metropolitan Enforcement Group Fund	Motor Fuel Tax Fund	Probation Services Fee Fund
Revenues:				
Fees	\$ 95,072	\$ -	\$ -	\$ 401,510
Property taxes	-	-	-	-
Intergovernmental	39,093	13,462	3,027,187	35,176
Investment earnings	-	-	10,976	-
Miscellaneous	-	-	3,141	1,000
<b>Total revenues</b>	<b>134,165</b>	<b>13,462</b>	<b>3,041,304</b>	<b>437,686</b>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	13,462	-	-
Corrections	-	-	-	-
Judiciary and legal	148,584	-	-	278,464
Transportation and public works	-	-	2,832,296	-
Social services	-	-	-	-
Capital outlay	-	-	-	63,691
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>148,584</b>	<b>13,462</b>	<b>2,832,296</b>	<b>342,155</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(14,419)</b>	<b>-</b>	<b>209,008</b>	<b>95,531</b>
Other financing sources (uses):				
Transfers in	-	-	76	13,694
Transfers out	-	-	(65,277)	(133,334)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(65,201)</b>	<b>(119,640)</b>
<b>Net change in fund balances</b>	<b>(14,419)</b>	<b>-</b>	<b>143,807</b>	<b>(24,109)</b>
Fund balances (deficits), beginning of year	(28,321)	-	3,159,864	1,015,132
Fund balances (deficits), end of year	<b>\$ (42,740)</b>	<b>\$ -</b>	<b>\$ 3,303,671</b>	<b>\$ 991,023</b>

(Continued)

Special Revenue					
Recorders Document Fund	States Attorney Drug Enforcement Fund	Treasurer's Automation Fund	Veterans Assistance Fund	Zuma-Canoe Creek Special Service Area Fund	Circuit Clerk Administration Cost Fund
\$ 230,648	\$ 63,749	\$ 39,253	\$ -	\$ -	\$ 26,139
-	-	-	357,865	39,528	-
-	10,642	-	-	-	-
840	-	335	1,368	372	486
-	-	-	2,124	-	-
231,488	74,391	39,588	361,357	39,900	26,625
324,478	-	21,900	-	-	19,953
-	-	-	-	-	-
-	-	-	-	-	-
-	80,173	-	-	-	-
-	-	-	-	14,451	-
-	-	-	263,943	-	-
8,155	4,118	10,986	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
332,633	84,291	32,886	263,943	14,451	19,953
(101,145)	(9,900)	6,702	97,414	25,449	6,672
-	5,873	-	-	-	-
(7,834)	(49,608)	(3,966)	(60,323)	-	-
(7,834)	(43,735)	(3,966)	(60,323)	-	-
(108,979)	(53,635)	2,736	37,091	25,449	6,672
286,070	249,077	111,411	459,416	100,102	136,676
\$ 177,091	\$ 195,442	\$ 114,147	\$ 496,507	\$ 125,551	\$ 143,348

Rock Island County, Illinois

**Combining Statement of Revenues, Expenditures and Changes in  
Fund Balances (Deficits) (Continued)  
Nonmajor Governmental Funds  
Year Ended November 30, 2014**

	Special Revenue			
	Hotel/Motel Tax Fund	Drug Court Grant Fund	Coroner Fee Fund	Federal Seized and Forfeited Property Fund
Revenues:				
Fees	\$ -	\$ 25,666	\$ 29,950	\$ -
Property taxes	-	-	-	-
Intergovernmental	235,094	-	-	692
Investment earnings	115	657	140	149
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>235,209</b>	<b>26,323</b>	<b>30,090</b>	<b>841</b>
Expenditures:				
Current:				
General government	209,218	-	-	-
Public safety	-	-	18,306	2,524
Corrections	-	65,379	-	-
Judiciary and legal	-	-	-	-
Transportation and public works	-	-	-	-
Social services	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>209,218</b>	<b>65,379</b>	<b>18,306</b>	<b>2,524</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>25,991</b>	<b>(39,056)</b>	<b>11,784</b>	<b>(1,683)</b>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>25,991</b>	<b>(39,056)</b>	<b>11,784</b>	<b>(1,683)</b>
Fund balances (deficits), beginning of year	57,264	199,070	35,394	42,347
Fund balances (deficits), end of year	<b>\$ 83,255</b>	<b>\$ 160,014</b>	<b>\$ 47,178</b>	<b>\$ 40,664</b>

(Continued)

Special Revenue				
Covemakers Buy-Out Fund	IDOT Grant Fund	Liability Insurance Fund	Debt Service Fund	Capital Project Fund
\$ 5,850	\$ -	\$ -	\$ -	\$ -
-	-	2,162,396	1,541,328	-
558,179	377,565	92,839	-	-
-	23	1,027	182	-
-	-	21,743	-	-
564,029	377,588	2,278,005	1,541,510	-
87,327	-	1,698,985	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	373,164	-	-	-
-	-	-	-	-
476,103	-	174,340	-	-
-	-	-	825,000	-
-	-	-	216,510	-
563,430	373,164	1,873,325	1,041,510	-
599	4,424	404,680	500,000	-
-	-	180,479	-	200,000
-	(4,415)	-	(500,000)	(200,000)
-	(4,415)	180,479	(500,000)	-
599	9	585,159	-	-
-	-	16,210	-	217
\$ 599	\$ 9	\$ 601,369	\$ -	\$ 217

Rock Island County, Illinois

**Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits) -  
Budget and Actual - Nonmajor Governmental Funds  
Year Ended November 30, 2014**

	Special Revenue			
	Animal Control Fund		Arrestee Medical Costs Fund	
	Budget	Actual	Budget	Actual
Revenues:				
Fees	\$ 750,500	\$ 771,064	\$ 35,000	\$ 20,181
Property taxes	-	-	-	-
Intergovernmental	-	-	-	-
Investment earnings	-	821	-	22
Miscellaneous	28,300	407,835	-	-
<b>Total revenues</b>	<b>778,800</b>	<b>1,179,720</b>	<b>35,000</b>	<b>20,203</b>
Expenditures:				
Current operating:				
Salaries and wages	383,035	366,975	-	-
Personal benefits	400	400	-	-
Supplies	40,600	25,869	-	-
Other services and charges	443,350	439,185	-	-
Capital outlay	5,000	4,658	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>872,385</b>	<b>837,087</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(93,585)</b>	<b>342,633</b>	<b>35,000</b>	<b>20,203</b>
Other financing sources (uses):				
Transfers in	30,855	-	-	-
Transfers out	(200,000)	(200,000)	(35,000)	(10,000)
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(169,145)</b>	<b>(200,000)</b>	<b>(35,000)</b>	<b>(10,000)</b>
<b>Net change in fund balances</b>	<b>\$ (262,730)</b>	<b>142,633</b>	<b>\$ -</b>	<b>10,203</b>
Fund balances (deficits), beginning of year		(287,175)		3,627
Fund balances (deficits), end of year		<u>\$ (144,542)</u>		<u>\$ 13,830</u>

(Continued)

Special Revenue							
Child Advocacy Fund				Collector Tax Fee Fund		Community Mental Health Fund	
Budget	Actual			Budget	Actual	Budget	Actual
\$ -	\$ -	\$ 82,000	\$ 61,140	\$ -	\$ -		
71,393	71,384	-	-	1,450,000	1,465,057		
-	-	-	-	-	-		
-	10	317	409	6,000	2,790		
-	-	-	-	-	-		
71,393	71,394	82,317	61,549	1,456,000	1,467,847		
-	-	-	-	38,630	38,630		
-	-	-	-	12,739	12,155		
-	-	-	-	988	134		
71,393	71,393	30,000	11,926	1,398,978	1,228,324		
-	-	-	-	-	-		
-	-	-	-	-	-		
-	-	-	-	-	-		
71,393	71,393	30,000	11,926	1,451,335	1,279,243		
-	1	52,317	49,623	4,665	188,604		
-	-	-	-	-	-		
-	-	(46,548)	(41,548)	(44,909)	(38,603)		
-	-	-	-	-	-		
-	-	(46,548)	(41,548)	(44,909)	(38,603)		
\$ -	1	\$ 5,769	8,075	\$ (40,244)	150,001		
			154,674		418,673		
\$ 1		\$ 162,749		\$ 568,674			

Rock Island County, Illinois

**Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits) -  
Budget and Actual - Nonmajor Governmental Funds (Continued)  
Year Ended November 30, 2014**

	Special Revenue			
	COPS Grant Fund		County Bridge Fund	
	Budget	Actual	Budget	Actual
Revenues:				
Fees	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	500,000	505,846
Intergovernmental	588,133	602,388	-	-
Investment earnings	-	-	1,000	2,153
Miscellaneous	-	13,569	230,968	448,818
<b>Total revenues</b>	<b>588,133</b>	<b>615,957</b>	<b>731,968</b>	<b>956,817</b>
Expenditures:				
Current operating:				
Salaries and wages	587,114	586,871	13,084	9,834
Personal benefits	312,249	312,249	-	-
Supplies	-	-	6,101	4,727
Other services and charges	-	-	1,043,130	1,013,353
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>899,363</b>	<b>899,120</b>	<b>1,062,315</b>	<b>1,027,914</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(311,230)</b>	<b>(283,163)</b>	<b>(330,347)</b>	<b>(71,097)</b>
Other financing sources (uses):				
Transfers in	308,056	275,790	-	-
Transfers out	-	-	(4,685)	(4,685)
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>308,056</b>	<b>275,790</b>	<b>(4,685)</b>	<b>(4,685)</b>
<b>Net change in fund balances</b>	<b>\$ (3,174)</b>	<b>(7,373)</b>	<b>\$ (335,032)</b>	<b>(75,782)</b>
Fund balances (deficits), beginning of year		24,013		738,294
Fund balances (deficits), end of year		<u>\$ 16,640</u>		<u>\$ 662,512</u>

(Continued)

Special Revenue							
County Clerk Document Fund		County Extension Education Fund		County Health Fund			
Budget	Actual	Budget	Actual	Budget	Actual		
\$ 37,600	\$ 40,489	\$ -	\$ -	\$ 465,533	\$ 476,593		
-	-	228,452	228,425	889,979	897,582		
-	-	-	-	3,841,881	3,374,122		
200	285	-	27	2,100	1,286		
-	-	-	-	13,100	6,718		
37,800	40,774	228,452	228,452	5,212,593	4,756,301		
-	-	-	-	2,717,967	2,687,671		
-	-	-	-	1,048,425	969,011		
7,036	6,452	-	-	271,539	257,672		
368	368	228,452	228,452	835,704	596,107		
18,618	15,595	-	-	47,669	35,166		
-	-	-	-	-	-		
-	-	-	-	-	-		
26,022	22,415	228,452	228,452	4,921,304	4,545,627		
11,778	18,359	-	-	291,289	210,674		
-	-	-	-	39,529	31,454		
(7,390)	(7,198)	-	-	(333,879)	(334,346)		
-	-	-	-	-	-		
(7,390)	(7,198)	-	-	(294,350)	(302,892)		
<u>\$ 4,388</u>	<u>11,161</u>	<u>\$ -</u>	<u>-</u>	<u>\$ (3,061)</u>	<u>(92,218)</u>		
	75,861		-		841,071		
	<u>\$ 87,022</u>		<u>\$ -</u>		<u>\$ 748,853</u>		

Rock Island County, Illinois

**Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits) -  
Budget and Actual - Nonmajor Governmental Funds (Continued)  
Year Ended November 30, 2014**

	Special Revenue			
	County Highway Fund		County Law Library Fund	
	Budget	Actual	Budget	Actual
Revenues:				
Fees	\$ 27,500	\$ 3,121	\$ 105,350	\$ 78,231
Property taxes	1,259,069	1,273,295	-	-
Intergovernmental	8,532	8,532	-	-
Investment earnings	8,000	5,464	1,500	238
Miscellaneous	600,000	431,097	-	-
<b>Total revenues</b>	<b>1,903,101</b>	<b>1,721,509</b>	<b>106,850</b>	<b>78,469</b>
Expenditures:				
Current operating:				
Salaries and wages	594,532	505,843	-	-
Personal benefits	359,646	344,671	-	-
Supplies	354,490	312,233	99,916	96,370
Other services and charges	161,832	144,537	-	-
Capital outlay	48,411	30,411	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>1,518,911</b>	<b>1,337,695</b>	<b>99,916</b>	<b>96,370</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>384,190</b>	<b>383,814</b>	<b>6,934</b>	<b>(17,901)</b>
Other financing sources (uses):				
Transfers in	201,172	65,277	-	-
Transfers out	(310,450)	(310,450)	(13,327)	(13,327)
Proceeds from sale of capital assets	40,000	-	-	-
<b>Total other financing sources (uses)</b>	<b>(69,278)</b>	<b>(245,173)</b>	<b>(13,327)</b>	<b>(13,327)</b>
<b>Net change in fund balances</b>	<b>\$ 314,912</b>	<b>138,641</b>	<b>\$ (6,393)</b>	<b>(31,228)</b>
Fund balances (deficits), beginning of year		1,742,836		82,844
Fund balances (deficits), end of year		<u>\$ 1,881,477</u>		<u>\$ 51,616</u>

(Continued)

Special Revenue						
Court Automation Fund		Court Document Storage Fund		Court Security Fund		
Budget	Actual	Budget	Actual	Budget	Actual	
\$ 275,000	\$ 222,769	\$ 250,000	\$ 243,581	\$ 280,000	\$ 240,275	
-	-	-	-	-	-	
-	-	-	-	-	-	
7,000	4,154	5,000	2,903	-	-	
-	-	-	-	-	-	
282,000	226,923	255,000	246,484	280,000	240,275	
-	-	116,788	89,213	441,108	342,013	
-	-	42,401	40,191	85,989	76,368	
62,948	60,864	52,650	15,017	800	45	
142,931	120,459	93,610	54,672	18,801	6,980	
134,602	134,595	44,895	4,297	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
340,481	315,918	350,344	203,390	546,698	425,406	
(58,481)	(88,995)	(95,344)	43,094	(266,698)	(185,131)	
-	1,500	-	-	266,007	184,759	
(7,097)	(7,097)	(9,332)	(9,332)	-	-	
-	-	-	-	-	-	
(7,097)	(5,597)	(9,332)	(9,332)	266,007	184,759	
<u>\$ (65,578)</u>	(94,592)	<u>\$ (104,676)</u>	33,762	<u>\$ (691)</u>	(372)	
	1,345,663		868,241		(12,373)	
	<u>\$ 1,251,071</u>		<u>\$ 902,003</u>		<u>\$ (12,745)</u>	

Rock Island County, Illinois

**Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits) -  
Budget and Actual - Nonmajor Governmental Funds (Continued)  
Year Ended November 30, 2014**

	Special Revenue			
	Federal Social Security Fund		GIS 2005 Fund	
	Budget	Actual	Budget	Actual
Revenues:				
Fees	\$ -	\$ -	\$ 27,000	\$ 220,236
Property taxes	1,300,500	1,313,066	-	-
Intergovernmental	-	-	-	-
Investment earnings	3,200	2,734	-	683
Miscellaneous	-	823	-	-
<b>Total revenues</b>	<b>1,303,700</b>	<b>1,316,623</b>	<b>27,000</b>	<b>220,919</b>
Expenditures:				
Current operating:				
Salaries and wages	-	-	161,301	160,475
Personal benefits	1,304,373	1,234,112	53,055	53,055
Supplies	-	-	1,006	827
Other services and charges	1,800	-	26,050	26,044
Capital outlay	-	-	4,118	4,118
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>1,306,173</b>	<b>1,234,112</b>	<b>245,530</b>	<b>244,519</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(2,473)</b>	<b>82,511</b>	<b>(218,530)</b>	<b>(23,600)</b>
Other financing sources (uses):				
Transfers in	848	-	243,000	-
Transfers out	(8,426)	(8,426)	(28,973)	(28,973)
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(7,578)</b>	<b>(8,426)</b>	<b>214,027</b>	<b>(28,973)</b>
<b>Net change in fund balances</b>	<b>\$ (10,051)</b>	<b>74,085</b>	<b>\$ (4,503)</b>	<b>(52,573)</b>
Fund balances (deficits), beginning of year		999,002		243,673
Fund balances (deficits), end of year		<u>\$ 1,073,087</u>		<u>\$ 191,100</u>

(Continued)

Special Revenue					
Hillsdale Special Service Area Fund		Maintenance and Child Support Collection Fund		Motor Fuel Tax Fund	
Budget	Actual	Budget	Actual	Budget	Actual
\$ -	\$ -	\$ 115,000	\$ 95,072	\$ -	\$ -
8,400	8,313	-	-	-	-
-	-	35,000	39,093	1,955,000	3,027,187
-	107	-	-	25,000	10,976
-	-	-	-	721,000	3,141
8,400	8,420	150,000	134,165	2,701,000	3,041,304
3,000	366	117,663	103,174	731,645	692,787
191	27	52,851	45,410	113,309	98,477
-	-	-	-	590,000	481,222
18,500	4,770	-	-	1,662,000	1,559,810
-	-	-	-	-	-
-	-	-	-	-	-
21,691	5,163	170,514	148,584	3,096,954	2,832,296
(13,291)	3,257	(20,514)	(14,419)	(395,954)	209,008
-	-	-	-	76	76
-	-	-	-	(201,172)	(65,277)
-	-	-	-	-	-
-	-	-	-	(201,096)	(65,201)
<u>\$ (13,291)</u>	<u>3,257</u>	<u>\$ (20,514)</u>	<u>(14,419)</u>	<u>\$ (597,050)</u>	<u>143,807</u>
	30,655		(28,321)		3,159,864
	<u>\$ 33,912</u>		<u>\$ (42,740)</u>		<u>\$ 3,303,671</u>

Rock Island County, Illinois

**Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits) -  
Budget and Actual - Nonmajor Governmental Funds (Continued)  
Year Ended November 30, 2014**

	Special Revenue			
	Probation Services Fee Fund		Recorders Document Fund	
	Budget	Actual	Budget	Actual
Revenues:				
Fees	\$ 533,700	\$ 401,510	\$ -	\$ 230,648
Property taxes	-	-	-	-
Intergovernmental	37,847	35,176	-	-
Investment earnings	-	-	-	840
Miscellaneous	1,000	1,000	-	-
<b>Total revenues</b>	<b>572,547</b>	<b>437,686</b>	<b>-</b>	<b>231,488</b>
Expenditures:				
Current operating:				
Salaries and wages	-	-	120,313	120,313
Personal benefits	-	-	66,628	64,821
Supplies	73,985	40,810	4,232	4,229
Other services and charges	396,880	237,654	135,443	135,115
Capital outlay	91,903	63,691	8,155	8,155
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>562,768</b>	<b>342,155</b>	<b>334,771</b>	<b>332,633</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>9,779</b>	<b>95,531</b>	<b>(334,771)</b>	<b>(101,145)</b>
Other financing sources (uses):				
Transfers in	20,000	13,694	268,000	-
Transfers out	(261,751)	(133,334)	(7,834)	(7,834)
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(241,751)</b>	<b>(119,640)</b>	<b>260,166</b>	<b>(7,834)</b>
<b>Net change in fund balances</b>	<b>\$ (231,972)</b>	<b>(24,109)</b>	<b>\$ (74,605)</b>	<b>(108,979)</b>
Fund balances (deficits), beginning of year		1,015,132		286,070
Fund balances (deficits), end of year		<u>\$ 991,023</u>		<u>\$ 177,091</u>

(Continued)

Special Revenue					
States Attorney Drug Enforcement Fund		Treasurer's Automation Fund		Veterans Assistance Fund	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 30,000	\$ 63,749	\$ 39,000	\$ 39,253	\$ -	\$ -
-	-	-	-	350,000	357,865
19,800	10,642	-	-	-	-
-	-	235	335	-	1,368
-	-	-	-	-	2,124
49,800	74,391	39,235	39,588	350,000	361,357
11,247	11,247	-	-	95,993	95,889
-	-	-	-	44,850	44,586
17,713	17,710	3,187	2,631	21,408	22,525
63,361	51,216	24,413	19,269	131,139	100,943
9,582	4,118	11,554	10,986	-	-
-	-	-	-	-	-
-	-	-	-	-	-
101,903	84,291	39,154	32,886	293,390	263,943
(52,103)	(9,900)	81	6,702	56,610	97,414
5,873	5,873	-	-	-	-
(49,608)	(49,608)	(3,966)	(3,966)	(60,323)	(60,323)
-	-	-	-	-	-
(43,735)	(43,735)	(3,966)	(3,966)	(60,323)	(60,323)
<u>\$ (95,838)</u>	<u>(53,635)</u>	<u>\$ (3,885)</u>	<u>2,736</u>	<u>\$ (3,713)</u>	<u>37,091</u>
	249,077		111,411		459,416
	<u>\$ 195,442</u>		<u>\$ 114,147</u>		<u>\$ 496,507</u>

Rock Island County, Illinois

**Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits) -  
Budget and Actual - Nonmajor Governmental Funds (Continued)  
Year Ended November 30, 2014**

	Special Revenue			
	Zuma-Canoe Creek Special		Circuit Clerk Administration Cost Fund	
	Service Area Fund			
	Budget	Actual	Budget	Actual
Revenues:				
Fees	\$ -	\$ -	\$ 30,000	\$ 26,139
Property taxes	39,500	39,528	-	-
Intergovernmental revenues	-	-	-	-
Investment earnings	-	372	700	486
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>39,500</b>	<b>39,900</b>	<b>30,700</b>	<b>26,625</b>
Expenditures:				
Current operating:				
Salaries and wages	10,500	2,869	17,533	16,583
Personal benefits	765	212	3,608	3,370
Supplies	5,000	-	-	-
Other services and charges	80,500	11,370	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>96,765</b>	<b>14,451</b>	<b>21,141</b>	<b>19,953</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(57,265)</b>	<b>25,449</b>	<b>9,559</b>	<b>6,672</b>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (57,265)</b>	<b>25,449</b>	<b>\$ 9,559</b>	<b>6,672</b>
Fund balances (deficits), beginning of year		100,102		136,676
Fund balances (deficits), end of year		<u>\$ 125,551</u>		<u>\$ 143,348</u>

(Continued)

Special Revenue					
Hotel/Motel Tax Fund		Drug Court Grant Fund		Coroner Fee Fund	
Budget	Actual	Budget	Actual	Budget	Actual
\$ -	\$ -	\$ 31,000	\$ 25,666	\$ 32,000	\$ 29,950
-	-	-	-	-	-
150,000	235,094	-	-	-	-
500	115	-	657	-	140
-	-	-	-	-	-
150,500	235,209	31,000	26,323	32,000	30,090
-	-	-	-	-	-
-	-	-	-	500	447
-	-	18,975	4,657	6,300	2,340
225,430	209,218	67,225	60,722	21,625	15,519
-	-	-	-	-	-
-	-	-	-	-	-
225,430	209,218	86,200	65,379	28,425	18,306
(74,930)	25,991	(55,200)	(39,056)	3,575	11,784
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ (74,930)</u>	<u>25,991</u>	<u>\$ (55,200)</u>	<u>(39,056)</u>	<u>\$ 3,575</u>	<u>11,784</u>
	57,264		199,070		35,394
<u>\$ 83,255</u>		<u>\$ 160,014</u>		<u>\$ 47,178</u>	

Rock Island County, Illinois

**Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits) -  
Budget and Actual - Nonmajor Governmental Funds (Continued)  
Year Ended November 30, 2014**

	Special Revenue			
	Federal Seized and Forfeited Property Fund		Covemakers Buy-Out Fund	
	Budget	Actual	Budget	Actual
Revenues:				
Fees	\$ -	\$ -	\$ -	\$ 5,850
Property taxes	-	-	-	-
Intergovernmental	-	692	-	558,179
Investment earnings	-	149	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	-	841	-	564,029
Expenditures:				
Current operating:				
Salaries and wages	-	-	-	-
Personal benefits	-	-	-	-
Supplies	2,524	2,524	-	-
Other services and charges	-	-	87,327	87,327
Capital outlay	-	-	476,103	476,103
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	2,524	2,524	563,430	563,430
<b>Excess (deficiency) of revenues over expenditures</b>	(2,524)	(1,683)	(563,430)	599
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-	-
<b>Net change in fund balances</b>	<u>\$ (2,524)</u>	<u>(1,683)</u>	<u>\$ (563,430)</u>	599
Fund balances (deficits), beginning of year		42,347		-
Fund balances (deficits), end of year		<u>\$ 40,664</u>		<u>\$ 599</u>

Special Revenue											
IDOT Grant Fund				Liability Insurance Fund				Debt Service Fund			
Budget		Actual		Budget		Actual		Budget		Actual	
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
	-		-		2,150,300		2,162,396		1,541,510		1,541,328
	432,195		377,565		76,564		92,839		-		-
	-		23		600		1,027		-		182
	-		-		-		21,743		-		-
	432,195		377,588		2,227,464		2,278,005		1,541,510		1,541,510
	-		-		699,991		676,899		-		-
	-		-		365,224		361,388		-		-
	-		-		11,821		10,319		-		-
	425,959		373,164		808,695		650,379		-		-
	-		-		190,900		174,340		-		-
	-		-		-		-		825,000		825,000
	-		-		-		-		216,510		216,510
	425,959		373,164		2,076,631		1,873,325		1,041,510		1,041,510
	6,236		4,424		150,833		404,680		500,000		500,000
	-		-		242,479		180,479		-		-
	(6,237)		(4,415)		-		-		(500,000)		(500,000)
	-		-		-		-		-		-
	(6,237)		(4,415)		242,479		180,479		(500,000)		(500,000)
\$	(1)		9	\$	393,312		585,159	\$	-		-
			-				16,210				-
		\$	9			\$	601,369		\$		-

**Rock Island County, Illinois**

**Combining Statement of Net Position  
Internal Service Funds  
November 30, 2014**

	Public Building Commission	Employee Health Benefits	Total
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 801,664	\$ 1,552,000	\$ 2,353,664
Receivables:			
Accounts	-	1,227	1,227
Interest	-	368	368
Due from other funds	-	80,929	80,929
Due from other governmental units	-	38,554	38,554
Other assets	827,236	9,770	837,006
<b>Total current assets</b>	<b>1,628,900</b>	<b>1,682,848</b>	<b>3,311,748</b>
Noncurrent assets:			
Capital assets:			
Nondepreciable, land	456,812	-	456,812
Depreciable:			
Equipment and fixtures	24,092	-	24,092
Improvements other than buildings	92,909	-	92,909
Buildings	713,914	-	713,914
Less accumulated depreciation	(161,746)	-	(161,746)
<b>Total capital assets</b>	<b>1,125,981</b>	<b>-</b>	<b>1,125,981</b>
<b>Total assets</b>	<b>2,754,881</b>	<b>1,682,848</b>	<b>4,437,729</b>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	-	277,328	277,328
Estimated claims settlement	-	716,000	716,000
Accrued liabilities	781,407	-	781,407
Unearned Revenue	511,557	-	511,557
<b>Total liabilities</b>	<b>1,292,964</b>	<b>993,328</b>	<b>2,286,292</b>
<b>Net Position</b>			
Investment in capital assets	1,125,981	-	1,125,981
Unrestricted	335,936	689,520	1,025,456
<b>Total net position</b>	<b>\$ 1,461,917</b>	<b>\$ 689,520</b>	<b>\$ 2,151,437</b>

Rock Island County, Illinois

**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Governmental Activities - Internal Service Funds**  
**Year Ended November 30, 2014**

	Public Building Commission	Employee Health Benefits	Total
Operating revenue:			
Charges for services	\$ 1,447,463	\$ 7,852,099	\$ 9,299,562
Other	-	153,895	153,895
<b>Total operating revenue</b>	<b>1,447,463</b>	<b>8,005,994</b>	<b>9,453,457</b>
Operating expenses:			
Other services and charges	1,517,390	7,893,606	9,410,996
Depreciation expense	26,492	-	26,492
<b>Total operating expenses</b>	<b>1,543,882</b>	<b>7,893,606</b>	<b>9,437,488</b>
<b>Operating income (loss)</b>	<b>(96,419)</b>	<b>112,388</b>	<b>15,969</b>
Nonoperating revenue, investment earnings	2,656	5,705	8,361
<b>Income (loss) before transfers</b>	<b>(93,763)</b>	<b>118,093</b>	<b>24,330</b>
Transfers out	-	(32,976)	(32,976)
<b>Change in net position</b>	<b>(93,763)</b>	<b>85,117</b>	<b>(8,646)</b>
Total net position, beginning of year	1,555,680	604,403	2,160,083
Total net position, end of year	<b>\$ 1,461,917</b>	<b>\$ 689,520</b>	<b>\$ 2,151,437</b>

# Rock Island County, Illinois

## Combining Statement of Cash Flows Governmental Activities - Internal Service Funds Year Ended November 30, 2014

	Public Building Commission	Employee Health Benefits	Total
Cash flows from operating activities:			
Cash received from employee contributions and other charges	\$ -	\$ 7,845,214	\$ 7,845,214
Cash received from other operating revenue	-	153,895	153,895
Cash payments for claims	-	(7,637,436)	(7,637,436)
Cash received for jail lease	1,509,504	-	1,509,504
Cash paid for jail lease	(1,005,042)	-	(1,005,042)
Cash payments for jail operations	(490,535)	-	(490,535)
<b>Net cash provided by operating activities</b>	<b>13,927</b>	<b>361,673</b>	<b>375,600</b>
Cash flows from noncapital financing activities:			
Interfund payments	-	(81,154)	(81,154)
Transfers out	-	(32,976)	(32,976)
<b>Net cash (used in) noncapital financing activities</b>	<b>-</b>	<b>(114,130)</b>	<b>(114,130)</b>
Cash flows from capital and related financing activities, purchase of property	(256,562)	-	(256,562)
Cash flows from investing activities, interest received	2,656	5,723	8,379
<b>Net increase (decrease) in cash</b>	<b>(239,979)</b>	<b>253,266</b>	<b>13,287</b>
Cash:			
Beginning	1,041,643	1,298,734	2,340,377
Ending	\$ 801,664	\$ 1,552,000	\$ 2,353,664
Reconciliation of operating income (loss) to net cash from operating activities:			
Operating income (loss)	\$ (96,419)	\$ 112,388	\$ 15,969
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	26,492	-	26,492
(Increase) decrease in:			
Receivables	-	20,949	20,949
Due from other governmental units	-	(27,834)	(27,834)
Other assets	62,041	(9,770)	52,271
Increase (decrease) in:			
Accounts payable	-	185,940	185,940
Accrued liabilities	(20,432)	80,000	59,568
Unearned revenue	42,245	-	42,245
<b>Net cash provided by operating activities</b>	<b>\$ 13,927</b>	<b>\$ 361,673</b>	<b>\$ 375,600</b>

## Fiduciary Fund

Fiduciary fund types are used to account for net position and changes in net position. The fiduciary funds of the County are all considered agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Circuit Clerk Fund and Circuit Clerk Probation Funds: To account for assets the Circuit Clerk holds for others.

County Clerk Redemption Fund: To account for delinquent property taxes collected by the County.

County Collector's Fund: To account for property taxes collected by the County for other taxing bodies.

Emergency Telephone Service Fund: To account for telephone bill taxes collected by the County.

Employee Indebtedness Fund: To account for wage garnishments.

Inheritance Tax Fund: To account for funds collected from estates for the state of Illinois.

Rock Island County Waste Management Agency Fund: To account for grant monies collected by the County to be used to promote waste management throughout the County.

Treasurer's Fund: To account for unclaimed property collected by the County for the state of Illinois.

Hope Creek Care Center Patient's Fund: To account for funds for those individuals at Hope Creek Care Center.

TBA Fund: To account for funds used for the defease of commercial appeals at Rock Island County Board of Review or Property Tax Appeal Board of the state of Illinois.

Township Bridge Fund: To account for funds to repair or replace Township structures meeting IDOT policies.

Township Motor Fuel Tax Fund: To account for engineering maintenance and construction of Rock Island County Township funds as approved by IDOT standards and policies.

Hope Creek Care Center Vending Fund: To account for vending services held on site at Hope Creek Care Center.

Prisoner Welfare Fund: To account for funds confiscated or deposited for inmates.

Hope Creek Care Center Activities Fund: To account for funds received from donations and fundraisers and used for entertainment programs for the residents of Hope Creek Care Center.

Hope Creek Care Center Grandparents Fund: To account for funds received from donations and fundraisers and used for miscellaneous purchases for Hope Creek Care Center.

Hope Creek Care Center Memorial Fund: To account for funds received from donations and used for miscellaneous purchases for Hope Creek Care Center.

Sheriff Foreclosure Sale Fund: To account for foreclosure fee revenue used for law enforcement costs.

DUI Fund: To account for funds collected for the state of Illinois for DUI fines and used for DUI blood draws from accidents.

Youth Education/SAFE Fund: To account for revenue from interest, donations and reimbursement for clothing purchased and expenses for County Sheriff embroidered clothing.

Rock Island County, Illinois

Combining Statement of Assets and Liabilities - Agency Funds  
November 30, 2014

	Total	Circuit Clerk Fund	Circuit Clerk Probation Fund	County Clerk Redemption Fund
<b>Assets</b>				
Cash and cash equivalents	\$ 9,620,330	\$ 3,374,339	\$ 3,640	\$ 256,709
Receivables:				
Accounts receivable	118,963	-	-	-
Accrued interest receivable	337,465	-	-	-
Due from other governmental units	-	-	-	-
<b>Total assets</b>	<b>\$ 10,076,758</b>	<b>\$ 3,374,339</b>	<b>\$ 3,640</b>	<b>\$ 256,709</b>
<b>Liabilities</b>				
Due to other governmental units	\$ 6,085,771	\$ 509,351	-	-
Due to individuals and private entities	3,990,987	2,864,988	3,640	256,709
<b>Total liabilities</b>	<b>\$ 10,076,758</b>	<b>\$ 3,374,339</b>	<b>\$ 3,640</b>	<b>\$ 256,709</b>

(Continued)

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County Collector's Fund	Emergency Telephone Service Fund	Employee Indebtedness Fund	Inheritance Tax Fund	Rock Island County Waste Management Agency Fund	Treasurer's Fund
\$ 3,471,750	\$ 458,902	\$ 724	\$ 31	\$ 314,114	\$ 493,300
-	19,932	-	8,641	-	-
337,256	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 3,809,006</u>	<u>\$ 478,834</u>	<u>\$ 724</u>	<u>\$ 8,672</u>	<u>\$ 314,114</u>	<u>\$ 493,300</u>
\$ 3,809,006	\$ 478,834	\$ -	\$ 8,672	\$ 314,114	-
-	-	724	-	-	493,300
<u>\$ 3,809,006</u>	<u>\$ 478,834</u>	<u>\$ 724</u>	<u>\$ 8,672</u>	<u>\$ 314,114</u>	<u>\$ 493,300</u>

Rock Island County, Illinois

Combining Statement of Assets and Liabilities - Agency Funds  
November 30, 2014

	Hope Creek Care Center Patient's Fund	TBA Fund	Township Bridge Fund	Township Motor Fuel Tax Fund
<b>Assets</b>				
Cash and cash equivalents	\$ 43,031	\$ 132,567	\$ 95,814	\$ 546,787
Receivables:				
Accounts receivable	-	-	-	89,288
Accrued interest receivable	-	35	26	148
Due from other governmental units	-	-	-	-
<b>Total assets</b>	<b>\$ 43,031</b>	<b>\$ 132,602</b>	<b>\$ 95,840</b>	<b>\$ 636,223</b>
<b>Liabilities</b>				
Due to other governmental units	\$ -	\$ -	\$ 95,840	\$ 636,223
Due to individuals and private entities	43,031	132,602	-	-
<b>Total liabilities</b>	<b>\$ 43,031</b>	<b>\$ 132,602</b>	<b>\$ 95,840</b>	<b>\$ 636,223</b>

(Continued)

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Hope Creek Care Center Vending Fund	Prisoner Welfare Fund	Hope Creek Care Center Activities Fund	Hope Creek Care Center Grandparents Fund	Hope Creek Care Center Memorial Fund	Sheriff Foreclosure Sale Fund
\$ 11,714	\$ 169,202	\$ 546	\$ 59	\$ 14,472	\$ 163,136
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 11,714</u>	<u>\$ 169,202</u>	<u>\$ 546</u>	<u>\$ 59</u>	<u>\$ 14,472</u>	<u>\$ 163,136</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 163,136
11,714	169,202	546	59	14,472	-
<u>\$ 11,714</u>	<u>\$ 169,202</u>	<u>\$ 546</u>	<u>\$ 59</u>	<u>\$ 14,472</u>	<u>\$ 163,136</u>

Rock Island County, Illinois

Combining Statement of Assets and Liabilities - Agency Funds  
November 30, 2014

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	DUI Fund	Youth Education/SAFE Fund
<b>Assets</b>		
Cash and cash equivalents	\$ 67,598	\$ 1,895
Receivables:		
Accounts receivable	1,102	-
Accrued interest receivable	-	-
Due from other governmental units	-	-
<b>Total assets</b>	<b>\$ 68,700</b>	<b>\$ 1,895</b>
<b>Liabilities</b>		
Due to other governmental units	\$ 68,700	\$ 1,895
Due to individuals and private entities	-	-
<b>Total liabilities</b>	<b>\$ 68,700</b>	<b>\$ 1,895</b>

**Rock Island County, Illinois**

**Combining Statement of Changes in Assets and Liabilities -  
Agency Funds  
Year Ended November 30, 2014**

	Balance November 30, 2013	Additions	Deletions	Balance November 30, 2014
<b>Circuit Clerk Fund</b>				
<b>Assets</b> , cash and cash equivalents	\$ 2,969,083	\$ 13,139,673	\$ 12,734,417	\$ 3,374,339
<b>Liabilities</b>				
Due to other governmental units	\$ 504,718	\$ 7,309,613	\$ 7,304,980	\$ 509,351
Due to individuals and private entities	2,464,365	5,698,043	5,297,420	2,864,988
Maintenance/child support deposits	-	132,017	132,017	-
<b>Total liabilities</b>	\$ 2,969,083	\$ 13,139,673	\$ 12,734,417	\$ 3,374,339
<b>Circuit Clerk Probation Fund</b>				
<b>Assets</b> , cash and cash equivalents	\$ 5,663	\$ 25,363	\$ 27,386	\$ 3,640
<b>Liabilities</b> , due to individuals and private entities	\$ 5,663	\$ 22,462	\$ 24,485	\$ 3,640
<b>County Clerk Redemption Fund</b>				
<b>Assets</b> , cash and cash equivalents	\$ 590,769	\$ 4,765,759	\$ 5,099,819	\$ 256,709
<b>Liabilities</b> , due to individuals and private entities	\$ 590,769	\$ 4,765,759	\$ 5,099,819	\$ 256,709
<b>County Collector's Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 3,638,442	\$ 931,843,464	\$ 932,010,156	\$ 3,471,750
Accrued interest receivable	332,249	5,007	-	337,256
<b>Total assets</b>	\$ 3,970,691	\$ 931,848,471	\$ 932,010,156	\$ 3,809,006
<b>Liabilities</b> , due to other governmental units	\$ 3,970,691	\$ 931,848,471	\$ 932,010,156	\$ 3,809,006
<b>Emergency Telephone Service Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 694,086	\$ 3,291,122	\$ 3,526,306	\$ 458,902
Accounts receivable	19,932	-	-	19,932
<b>Total assets</b>	\$ 714,018	\$ 3,291,122	\$ 3,526,306	\$ 478,834
<b>Liabilities</b> , due to other governmental units	\$ 714,018	\$ 1,188,122	\$ 1,423,306	\$ 478,834

(Continued)

**Rock Island County, Illinois**

**Combining Statement of Changes in Assets and Liabilities -  
Agency Funds (Continued)  
Year Ended November 30, 2014**

	Balance November 30, 2013	Additions	Deletions	Balance November 30, 2014
<b>Employee Indebtedness Fund</b>				
<b>Assets</b> , cash and cash equivalents	\$ 714	\$ 30,283	\$ 30,273	\$ 724
<b>Liabilities</b> , due to individuals and private entities	\$ 714	\$ 30,283	\$ 30,273	\$ 724
<b>Inheritance Tax Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 31	\$ -	\$ -	\$ 31
Accounts receivable	8,641	-	-	8,641
<b>Total assets</b>	\$ 8,672	\$ -	\$ -	\$ 8,672
<b>Liabilities</b> , due to other governmental units	\$ 8,672	\$ -	\$ -	\$ 8,672
<b>Rock Island County Waste Management Agency Fund</b>				
<b>Assets</b> , cash and cash equivalents	\$ 304,225	\$ 1,485,535	\$ 1,475,646	\$ 314,114
<b>Liabilities</b> , due to other governmental units	\$ 304,225	\$ 537,567	\$ 527,678	\$ 314,114
<b>Treasurer's Fund</b>				
<b>Assets</b> , cash and cash equivalents	\$ 357,112	\$ 6,755,587	\$ 6,619,399	\$ 493,300
<b>Liabilities</b> , due to individuals and private entities	\$ 357,112	\$ 2,997,587	\$ 2,861,399	\$ 493,300
<b>Hope Creek Care Center Patient's Fund</b>				
<b>Assets</b> , cash and cash equivalents	\$ 87,262	\$ 125,162	\$ 169,393	\$ 43,031
<b>Liabilities</b> , due to individuals and private entities	\$ 87,262	\$ 125,162	\$ 169,393	\$ 43,031

(Continued)

Rock Island County, Illinois

**Combining Statement of Changes in Assets and Liabilities -  
Agency Funds (Continued)  
Year Ended November 30, 2014**

	Balance November 30, 2013		Additions	Deletions	Balance November 30, 2014			
<b>TBA Fund</b>								
<b>Assets</b>								
Cash and cash equivalents	\$	132,596	\$	464	\$	493	\$	132,567
Accounts receivable		-		-		-		-
Accrued interest receivable		37		35		37		35
<b>Total assets</b>	<b>\$</b>	<b>132,633</b>	<b>\$</b>	<b>499</b>	<b>\$</b>	<b>530</b>	<b>\$</b>	<b>132,602</b>
<b>Liabilities, due to individuals and private entities</b>								
	<b>\$</b>	<b>132,633</b>	<b>\$</b>	<b>462</b>	<b>\$</b>	<b>493</b>	<b>\$</b>	<b>132,602</b>
<b>Township Bridge Fund</b>								
<b>Assets</b>								
Cash and cash equivalents	\$	16,789	\$	656,684	\$	577,659	\$	95,814
Accrued interest receivable		5		26		5		26
Due from other governmental units		27,258		-		27,258		-
<b>Total assets</b>	<b>\$</b>	<b>44,052</b>	<b>\$</b>	<b>656,710</b>	<b>\$</b>	<b>604,922</b>	<b>\$</b>	<b>95,840</b>
<b>Liabilities, due to other governmental units</b>								
	<b>\$</b>	<b>44,052</b>	<b>\$</b>	<b>447,903</b>	<b>\$</b>	<b>396,115</b>	<b>\$</b>	<b>95,840</b>
<b>Township Motor Fuel Tax Fund</b>								
<b>Assets</b>								
Cash and cash equivalents	\$	343,852	\$	1,737,996	\$	1,535,061	\$	546,787
Accounts receivable		83,021		89,288		83,021		89,288
Accrued interest receivable		94		148		94		148
<b>Total assets</b>	<b>\$</b>	<b>426,967</b>	<b>\$</b>	<b>1,827,432</b>	<b>\$</b>	<b>1,618,176</b>	<b>\$</b>	<b>636,223</b>
<b>Liabilities, due to other governmental units</b>								
	<b>\$</b>	<b>426,967</b>	<b>\$</b>	<b>1,110,672</b>	<b>\$</b>	<b>901,416</b>	<b>\$</b>	<b>636,223</b>
<b>Hope Creek Care Center Vending Fund</b>								
<b>Assets, cash and cash equivalents</b>								
	<b>\$</b>	<b>9,710</b>	<b>\$</b>	<b>10,186</b>	<b>\$</b>	<b>8,182</b>	<b>\$</b>	<b>11,714</b>
<b>Liabilities, due to individuals and private entities</b>								
	<b>\$</b>	<b>9,710</b>	<b>\$</b>	<b>10,186</b>	<b>\$</b>	<b>8,182</b>	<b>\$</b>	<b>11,714</b>

(Continued)

Rock Island County, Illinois

**Combining Statement of Changes in Assets and Liabilities -  
Agency Funds (Continued)  
Year Ended November 30, 2014**

	Balance November 30, 2013	Additions	Deletions	Balance November 30, 2014
<b>Prisoner Welfare Fund</b>				
<b>Assets</b> , cash and cash equivalents	\$ 179,225	\$ 739,278	\$ 749,301	\$ 169,202
<b>Liabilities</b> , due to individuals and private entities	\$ 179,225	\$ 739,278	\$ 749,301	\$ 169,202
<b>Hope Creek Care Center Activities Fund</b>				
<b>Assets</b> , cash and cash equivalents	\$ (77)	\$ 14,548	\$ 13,925	\$ 546
<b>Liabilities</b> Due to individuals and private entities	\$ (77)	\$ 14,548	\$ 13,925	\$ 546
<b>Hope Creek Care Center Grandparents Fund</b>				
<b>Assets</b> , cash and cash equivalents	\$ 70	\$ 79	\$ 90	\$ 59
<b>Liabilities</b> , Due to individuals and private entities	\$ 70	\$ 79	\$ 90	\$ 59
<b>Hope Creek Care Center Memorial Fund</b>				
<b>Assets</b> , cash and cash equivalents	\$ 15,962	\$ 6,600	\$ 8,090	\$ 14,472
<b>Liabilities</b> , Due to individuals and private entities	\$ 15,962	\$ 6,600	\$ 8,090	\$ 14,472
<b>Sheriff Foreclosure Sale Fund</b>				
<b>Assets</b> , cash and cash equivalents	\$ 427,017	\$ 3,806,072	\$ 4,069,953	\$ 163,136
<b>Liabilities</b> , due to other governmental units	\$ 427,017	\$ 1,226,072	\$ 1,489,953	\$ 163,136
<b>DUI Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 44,015	\$ 49,719	\$ 26,136	\$ 67,598
Accounts receivable	1,350	1,102	1,350	1,102
<b>Total assets</b>	\$ 45,365	\$ 50,821	\$ 27,486	\$ 68,700
<b>Liabilities</b> , due to other governmental units	\$ 45,365	\$ 25,577	\$ 2,242	\$ 68,700

(Continued)

Rock Island County, Illinois

**Combining Statement of Changes in Assets and Liabilities -  
Agency Funds (Continued)  
Year Ended November 30, 2014**

	Balance November 30, 2013	Additions	Deletions	Balance November 30, 2014
<b>Youth Education/SAFE Fund</b>				
<b>Assets</b> , cash and cash equivalents	\$ 1,864	\$ 867	\$ 836	\$ 1,895
<b>Liabilities</b> , due to other governmental units	\$ 1,864	\$ 867	\$ 836	\$ 1,895
<b>Totals - All Agency Funds</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 9,818,410	\$ 968,484,441	\$ 968,682,521	\$ 9,620,330
Accounts receivable	112,944	90,390	84,371	118,963
Accrued interest receivable	332,385	5,216	136	337,465
Due from other governmental units	27,258	-	27,258	-
<b>Total assets</b>	<b>\$ 10,290,997</b>	<b>\$ 968,580,047</b>	<b>\$ 968,794,286</b>	<b>\$ 10,076,758</b>
<b>Liabilities</b>				
Due to other governmental units	\$ 6,447,589	\$ 943,694,864	\$ 944,056,682	\$ 6,085,771
Due to individuals and private entities	3,843,408	14,410,449	14,262,870	3,990,987
Maintenance/child support deposits	-	132,017	132,017	-
<b>Total liabilities</b>	<b>\$ 10,290,997</b>	<b>\$ 958,237,330</b>	<b>\$ 958,451,569</b>	<b>\$ 10,076,758</b>

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## Rock Island County, Illinois

### Statistical Section

#### Contents

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The statistical section of the County's comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the County's overall financial health.

Contents	Page
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the County's financial performance and well being have changed over time.	114 - 119
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the County's most significant local revenue sources, the property tax (or sales tax).	120 - 126
<b>Debt Capacity</b>	
These schedules present information to help the reader assess the affordability of the County's current level of outstanding debt and the County's ability to issue additional debt in the future.	127 - 130
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	131 - 132
<b>Operating Information</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	133 - 139

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual report for the relevant year.

Rock Island County, Illinois

**Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(Unaudited)**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
Net investment in capital assets	\$ 48,006,622	\$ 54,083,699	\$ 55,397,748	\$ 59,757,904	\$ 55,081,292	\$ 58,966,301	\$ 58,578,183	\$ 57,491,519	\$ 55,811,412	\$ 55,295,528
Restricted for:										
Capital improvements	5,200,529	6,718,776	5,105,154	4,724,600	9,482,412	6,777,336	4,496,999	4,383,342	5,767,453	6,003,424
Collector's tax fees, sale & error refunds	-	-	-	-	-	-	195,240	184,298	154,674	162,749
Document storage	-	-	-	-	-	-	2,512,590	2,645,926	2,685,955	2,531,334
Working cash	-	-	-	-	-	-	-	469,705	521,449	522,607
GIS	-	-	-	-	-	-	142,898	215,796	243,673	191,100
Employee benefits	3,160,016	1,602,099	1,724,848	1,834,406	2,041,777	2,018,901	697,967	450,453	422,814	862,412
Judicial	-	-	-	-	-	-	2,048,858	1,996,801	1,682,374	1,541,443
Parks and recreation	-	-	-	-	-	-	2,264,348	2,356,952	2,292,541	2,612,591
Public health	1,686,470	1,643,710	1,156,589	785,629	901,404	1,176,783	2,947,507	2,314,051	3,407,011	2,319,436
Public safety	-	-	-	-	-	-	25,020	62,032	105,763	109,588
Liability	-	-	-	-	-	-	-	-	12,042	595,970
Debt service	(110,512)	54,671	52,914	59,286	470	470	-	-	-	-
Tort liability	1,262,103	960,057	650,000	967,000	-	-	-	-	-	-
Capital items	-	-	25,323	-	-	-	-	-	-	-
Unrestricted	10,869,390	12,929,582	17,406,020	15,362,448	16,683,631	13,740,126	8,791,293	4,970,060	2,600,835	(258,466)
<b>Total governmental activities net position</b>	<b>\$ 70,074,618</b>	<b>\$ 77,992,594</b>	<b>\$ 81,518,596</b>	<b>\$ 83,491,273</b>	<b>\$ 84,190,986</b>	<b>\$ 82,679,917</b>	<b>\$ 82,700,903</b>	<b>\$ 77,540,935</b>	<b>\$ 75,707,996</b>	<b>\$ 72,489,716</b>

Source: County records.

Rock Island County, Illinois

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses:										
Governmental activities:										
General government	\$ 9,773,592	\$ 12,449,672	\$ 13,236,109	\$ 15,185,680	\$ 14,277,348	\$ 14,579,299	\$ 13,893,527	\$ 14,472,833	\$ 14,211,912	\$ 15,020,507
Public safety	9,230,103	6,912,721	7,714,258	8,486,743	7,634,662	8,264,879	8,296,587	9,257,762	8,526,408	8,822,100
Corrections	3,594,431	3,449,301	3,607,818	3,804,707	3,945,665	4,181,571	4,200,768	4,322,930	4,882,400	4,894,231
Judiciary and legal	5,655,496	6,910,035	6,989,607	7,992,555	8,677,746	8,435,950	8,655,974	9,145,232	8,818,638	8,865,436
Transportation and public works	3,116,774	3,908,958	3,945,958	4,590,942	4,311,647	4,331,923	5,653,179	5,368,108	5,201,442	7,963,156
Social services	18,624,769	17,521,780	21,681,369	21,458,449	26,422,028	28,151,986	28,178,765	30,529,579	28,668,004	27,670,302
Culture and recreation	2,519,529	2,773,705	2,961,912	3,290,340	3,656,939	3,999,084	4,449,081	4,715,067	4,803,366	5,308,707
Debt service, interest on long-term debt	112,947	1,744,565	3,733,381	1,617,387	1,893,214	2,211,533	2,488,329	2,310,074	983,576	1,479,172
<b>Total governmental activities expenses</b>	<b>52,627,641</b>	<b>55,670,737</b>	<b>63,870,412</b>	<b>68,426,803</b>	<b>70,819,249</b>	<b>74,156,225</b>	<b>75,816,210</b>	<b>80,121,585</b>	<b>76,095,746</b>	<b>80,023,611</b>
Program revenues:										
Governmental activities:										
Charges for sales and services:										
General government	2,773,248	3,257,168	4,648,948	4,629,246	6,028,775	6,258,607	5,106,965	5,035,416	5,143,428	5,098,498
Judiciary and legal	2,956,294	3,379,391	3,599,036	3,346,176	3,216,797	3,024,986	2,950,128	2,870,730	2,851,047	2,694,147
Social Services	7,745,349	7,613,330	11,757,305	11,792,762	13,980,107	13,637,170	18,200,961	15,946,557	16,422,585	13,631,237
Other	5,789,750	4,377,663	4,485,701	4,805,574	4,806,878	4,822,465	4,864,643	5,593,201	5,082,625	5,192,470
Operating grants and contributions	11,092,696	11,288,532	10,131,726	9,885,815	12,894,411	13,910,831	12,511,952	13,750,605	13,000,156	13,847,910
Capital grants and contributions	909,528	4,743,695	2,178,447	2,594,923	268,846	596,997	1,074,604	214,114	394,893	59,552
<b>Total governmental activities program revenues</b>	<b>31,266,865</b>	<b>34,659,779</b>	<b>36,801,163</b>	<b>37,054,496</b>	<b>41,195,814</b>	<b>42,251,056</b>	<b>44,709,253</b>	<b>43,410,623</b>	<b>42,894,734</b>	<b>40,523,814</b>
<b>Net (expense)/revenue, governmental activities</b>	<b>(21,360,776)</b>	<b>(21,010,958)</b>	<b>(26,069,249)</b>	<b>(29,372,307)</b>	<b>(29,623,435)</b>	<b>(31,905,169)</b>	<b>(31,106,957)</b>	<b>(36,710,962)</b>	<b>(33,201,012)</b>	<b>(39,499,797)</b>
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes	15,934,655	16,598,792	17,200,641	17,992,705	19,548,214	20,095,583	21,158,786	21,648,137	21,830,000	24,732,827
Motor fuel tax	-	2,470,733	2,906,481	-	2,445,606	-	-	-	-	-
Replacement tax	2,296,670	4,564,481	4,673,128	2,890,775	2,445,606	2,585,073	2,342,739	2,330,484	2,567,408	2,447,607
Sales and use taxes	4,141,767	1,605,688	1,735,783	4,595,064	4,803,890	4,303,323	4,374,278	4,823,291	4,542,277	4,915,542
Income tax	1,463,456	461,918	107,051	1,856,456	1,406,806	1,488,379	1,459,269	1,574,494	1,665,912	1,694,378
Hotel/Motel taxes	-	-	-	123,356	115,592	124,013	138,900	222,783	264,705	235,094
Other	1,120,773	1,219,509	340,571	930,804	993,075	1,083,941	1,082,991	168,984	95,216	165,672
Investment earnings	717,808	1,221	2,012,831	1,053,360	497,877	327,793	165,741	125,898	88,643	92,718
Gain on disposal of capital assets	14,716	-	-	115,348	-	-	53,266	83,573	61,830	-
Internal transfers - blended component unit	-	-	-	-	-	-	-	-	-	-
Transfers to discretely presented component unit	-	-	-	-	-	-	-	-	-	-
Miscellaneous	166,983	2,006,595	1,618,765	1,787,116	512,088	385,995	351,976	573,350	252,082	1,997,679
<b>Total governmental activities</b>	<b>25,856,828</b>	<b>28,928,937</b>	<b>30,595,251</b>	<b>31,344,984</b>	<b>30,323,148</b>	<b>30,394,100</b>	<b>31,127,946</b>	<b>31,550,994</b>	<b>31,368,073</b>	<b>36,281,517</b>
<b>Change in net position, governmental activities</b>	<b>\$ 4,496,052</b>	<b>\$ 7,917,979</b>	<b>\$ 30,595,251</b>	<b>\$ 1,972,677</b>	<b>\$ 699,713</b>	<b>\$ (1,511,069)</b>	<b>\$ 20,989</b>	<b>\$ (5,159,968)</b>	<b>\$ (1,832,939)</b>	<b>\$ (3,218,280)</b>

Source: County records.

Rock Island County, Illinois

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,017,004	\$ 762,542	\$ 733,088	\$ 637,142
Restricted	-	-	-	-	-	-	-	472,239	525,580	527,713
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	309,312	-	-
Unassigned	-	-	-	-	-	-	5,251,711	3,767,825	3,330,268	3,211,179
Reserved:										
Tort liability	1,262,103	960,057	650,000	967,000	613,000	1,052,965	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-
Other assets	215,136	187,350	257,882	179,404	232,976	154,432	-	-	-	-
Capital improvements	-	-	-	-	-	-	-	-	-	-
Employee health claims	-	-	-	-	-	-	-	-	-	-
Unreserved, undesignated	5,357,539	7,559,063	9,630,945	8,380,655	7,191,755	5,281,977	-	-	-	-
<b>Total general fund</b>	<b>6,834,778</b>	<b>8,706,470</b>	<b>10,538,827</b>	<b>9,527,059</b>	<b>8,037,731</b>	<b>6,489,374</b>	<b>6,268,715</b>	<b>5,311,918</b>	<b>4,588,936</b>	<b>4,376,034</b>
All other governmental funds:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	790,344	432,503	16,221	17,332
Restricted	-	-	-	-	-	-	16,561,547	16,155,996	18,432,075	18,743,077
Committed	-	-	-	-	-	-	-	-	-	4,727
Assigned	-	-	-	-	-	-	894,243	995,559	3,663	(200,027)
Unassigned	-	-	-	-	-	-	(1,274,191)	(699,855)	(327,869)	-
Reserved for:										
Advances	1,000	-	-	-	-	-	-	-	-	-
Other assets	59,311	64,412	-	54,341	55,364	64,212	-	-	-	-
Capital projects/improvements	256,465	2,079,454	872,600	869,146	4,667,109	1,248,114	-	-	-	-
Contributed capital	-	-	-	-	-	-	-	-	-	-
Employee health claims	-	-	-	-	-	-	-	-	-	-
Unreserved, undesignated:										
Special revenue funds	15,137,179	12,193,244	15,067,774	15,946,443	18,666,278	18,622,877	-	-	-	-
Debt service fund	(110,512)	54,671	52,914	59,286	470	470	-	-	-	-
Capital project fund	-	-	12,396,652	(1,711,813)	(1,839,667)	(711,633)	-	-	-	-
<b>Total all other governmental funds</b>	<b>15,343,443</b>	<b>14,391,781</b>	<b>28,440,915</b>	<b>15,217,403</b>	<b>21,549,554</b>	<b>19,224,040</b>	<b>16,971,943</b>	<b>16,884,203</b>	<b>18,124,090</b>	<b>18,565,109</b>
<b>Total fund balances</b>	<b>\$ 22,178,221</b>	<b>\$ 23,098,251</b>	<b>\$ 38,979,742</b>	<b>\$ 24,744,462</b>	<b>\$ 29,587,285</b>	<b>\$ 25,713,414</b>	<b>\$ 23,240,658</b>	<b>\$ 22,196,121</b>	<b>\$ 22,713,026</b>	<b>\$ 22,941,143</b>

Source: County records.

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, implemented Fiscal Year 2011

Rock Island County, Illinois

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues:										
Fees										
Property taxes	\$ 16,456,235	\$ 17,759,888	\$ 22,460,644	\$ 22,497,129	\$ 24,164,218	\$ 24,164,211	\$ 25,135,841	\$ 26,932,907	\$ 27,283,118	\$ 26,463,440
Intergovernmental	15,934,655	16,598,792	17,200,641	17,992,705	19,548,214	20,095,583	21,158,786	21,648,137	21,830,000	24,732,827
Investment earnings	20,281,552	21,170,873	19,961,889	20,276,592	20,138,445	21,696,497	20,121,877	20,601,950	20,576,882	21,256,496
Miscellaneous	667,079	1,121,574	1,878,701	980,197	460,860	302,418	145,976	109,832	79,956	84,357
	2,965,727	2,937,621	2,640,588	2,693,899	2,988,554	2,611,576	1,300,233	1,564,819	1,082,020	2,388,757
<b>Total revenues</b>	<b>56,305,248</b>	<b>59,588,748</b>	<b>64,142,463</b>	<b>64,440,522</b>	<b>67,300,291</b>	<b>68,870,285</b>	<b>67,862,713</b>	<b>70,857,645</b>	<b>70,851,976</b>	<b>74,925,877</b>
Expenditures:										
General government										
Social services	12,740,846	11,808,995	11,780,026	13,029,416	13,204,642	13,385,011	12,541,194	12,716,575	12,912,548	13,515,566
Public safety and corrections	17,201,590	17,636,693	21,175,990	20,758,376	22,605,178	24,872,514	24,182,901	26,100,424	25,440,678	24,281,720
Transportation and public works	10,772,145	10,052,132	11,023,401	11,396,157	11,522,782	11,838,276	11,949,188	12,234,403	12,241,940	12,277,952
Judiciary and legal/legislative	5,686,085	3,164,291	3,016,355	3,559,737	3,228,474	3,318,136	4,521,836	4,268,216	3,757,138	5,560,272
Debt service:	7,086,828	6,911,813	6,681,335	7,602,173	8,260,036	8,030,651	8,199,630	8,273,144	8,572,973	8,456,529
Principal	655,000	65,000	505,000	575,000	1,130,000	1,170,000	1,380,000	1,435,000	1,540,000	3,060,000
Interest	525,355	776,195	2,942,387	579,829	794,142	1,219,431	1,473,826	1,314,991	701,280	1,476,895
Bond issue costs	213,432	-	143,893	-	35,331	-	-	-	144,014	-
Culture and recreation	2,590,083	2,605,220	2,748,073	2,955,491	3,299,684	3,663,183	3,772,263	4,064,480	4,107,709	4,591,630
Expenditures in capital outlay not capitalized	-	-	-	1,072,243	363,041	-	79,814	(22,679)	154,544	129,610
Capitalized capital outlay	-	7,091,323	8,423,589	17,289,471	2,789,755	5,344,022	2,328,774	1,661,927	998,069	1,854,135
<b>Total expenditures</b>	<b>57,471,364</b>	<b>60,111,862</b>	<b>68,440,049</b>	<b>78,817,893</b>	<b>67,233,065</b>	<b>72,841,224</b>	<b>70,429,426</b>	<b>72,046,481</b>	<b>70,570,893</b>	<b>75,204,309</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(1,166,116)</b>	<b>(522,914)</b>	<b>(14,377,371)</b>	<b>(14,377,371)</b>	<b>67,226</b>	<b>(3,970,939)</b>	<b>(2,566,713)</b>	<b>(1,188,836)</b>	<b>281,083</b>	<b>(278,432)</b>
Other financing sources (uses):										
Proceeds from installment purchase	-	-	-	-	-	-	-	-	-	-
Transfers in	5,340,737	4,506,909	7,511,860	8,727,078	8,839,273	6,443,042	2,935,669	2,421,080	2,023,127	2,550,531
Transfers out	(5,340,737)	(4,906,909)	(7,511,860)	(8,727,078)	(8,839,273)	(6,443,042)	(2,905,691)	(2,391,102)	(1,993,149)	(2,517,555)
Transfers to component units	-	-	-	-	-	-	-	-	-	-
Issuance of debt	9,020,000	1,750,000	19,885,000	-	5,140,000	-	-	-	9,325,000	-
Proceeds from refunded bond escrow agent	(8,921,030)	-	-	-	(555,000)	-	-	-	(9,455,400)	-
Bond premiums / discounts	114,462	-	219,887.00	-	(21,824)	-	-	-	274,414	-
Proceeds from sale of capital assets	48,080	92,944	74,190	142,091	212,421	97,068	63,979	114,321	61,830	473,573
<b>Total other financing sources (uses)</b>	<b>261,512</b>	<b>1,442,944</b>	<b>20,179,077</b>	<b>142,091</b>	<b>4,775,597</b>	<b>97,068</b>	<b>93,957</b>	<b>144,299</b>	<b>235,822</b>	<b>506,549</b>
Net change in fund balances	(904,604)	920,030	20,179,077	(14,235,280)	4,842,823	(3,873,871)	(2,472,756)	(1,044,537)	516,905	228,117
Fund balances, beginning of year	23,082,825	22,178,221	23,098,251	43,277,328	29,042,048	33,884,871	30,011,000	23,240,658	22,196,121	22,713,026
Residual equity transfer in	-	-	-	-	-	-	-	-	-	-
Residual equity transfer (out)	-	-	-	-	-	-	-	-	-	-
Fund balances, end of year	\$ 22,178,221	\$ 23,098,251	\$ 43,277,328	\$ 29,042,048	\$ 33,884,871	\$ 30,011,000	\$ 27,538,244	\$ 22,196,121	\$ 22,713,026	\$ 22,941,143
Debt service as a percentage of noncapital expenditures	2.43%	1.59%	5.98%	1.88%	3.04%	3.54%	4.19%	3.91%	3.22%	6.20%

Source: County records.

Rock Island County, Illinois

Program Revenues by Function/Program

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

Function / Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
General government	\$ 2,975,134	\$ 3,532,475	\$ 4,945,177	\$ 4,629,246	\$ 6,124,916	\$ 6,362,931	\$ 5,263,530	\$ 5,415,594	\$ 5,624,842	\$ 5,151,043
Public safety	4,428,982	3,230,077	2,017,911	2,652,182	2,020,965	1,973,997	1,879,664	1,997,786	2,074,541	2,740,603
Corrections	2,000,036	1,940,339	1,796,405	2,070,042	1,972,720	2,329,619	1,918,160	1,861,097	1,971,852	1,921,302
Judiciary and legal	3,079,976	3,515,927	3,763,486	3,520,729	3,400,282	3,321,141	3,173,899	3,176,261	3,117,385	2,859,863
Transportation and public works	3,716,488	6,914,858	5,063,944	2,419,149	2,568,909	2,572,344	2,696,791	3,113,301	2,940,242	3,174,517
Social services	13,538,192	13,152,652	17,463,119	17,381,418	23,033,473	23,499,877	26,947,382	24,965,852	24,862,657	21,930,665
Culture and recreation	1,528,057	2,373,451	1,751,121	4,381,730	2,074,549	2,191,147	2,827,827	2,880,732	2,303,215	2,745,821
Debt service, interest on long-term debt	-	-	-	-	-	-	-	-	-	-
<b>Total governmental activities</b>	<b>31,266,865</b>	<b>34,659,779</b>	<b>36,801,163</b>	<b>37,054,496</b>	<b>41,195,814</b>	<b>42,251,056</b>	<b>44,709,253</b>	<b>43,410,623</b>	<b>42,894,734</b>	<b>40,523,814</b>
Component unit	3,047,751	2,537,255	2,212,303	1,902,858	1,899,111	3,268,082	2,534,864	2,327,137	2,463,917	1,968,630
<b>Total government</b>	<b>\$ 34,314,616</b>	<b>\$ 37,197,034</b>	<b>\$ 39,013,466</b>	<b>\$ 38,957,354</b>	<b>\$ 43,094,925</b>	<b>\$ 45,519,138</b>	<b>\$ 47,244,117</b>	<b>\$ 45,737,760</b>	<b>\$ 45,358,651</b>	<b>\$ 42,492,444</b>

Source: County records.

## Rock Island County, Illinois

### Tax Revenues by Source, Governmental Funds

#### Last Ten Fiscal Years

*(modified accrual basis of accounting)*

**(Unaudited)**

Fiscal Year	Property Taxes	Replacement Tax	Sales and Use Taxes	Income Taxes	Other Taxes	Total
2005	\$ 15,934,655	\$ 2,296,670	\$ 4,141,767	\$ 1,463,456	\$ 1,120,773	\$ 24,957,321
2006	16,598,792	2,470,733	4,564,481	1,605,688	461,918	25,701,612
2007	17,200,641	2,906,481	4,673,128	1,735,783	447,622	26,963,655
2008	17,992,705	2,890,775	4,595,064	1,856,456	1,054,160	28,389,160
2009	19,548,214	2,253,034	4,380,839	1,406,806	710,653	28,299,546
2010	20,095,583	2,429,284	4,295,193	1,363,729	321,162	28,504,951
2011	21,158,786	2,140,709	4,384,197	1,589,763	323,649	29,597,104
2012	21,648,137	2,144,630	4,821,483	1,587,659	298,234	30,500,143
2013	21,830,000	2,377,514	4,544,596	1,889,108	211,570	30,852,788
<b>2014</b>	<b>24,732,827</b>	<b>2,447,607</b>	<b>4,915,542</b>	<b>1,694,378</b>	<b>165,672</b>	<b>33,956,026</b>

**Source:** County records.

Rock Island County, Illinois

Assessed Value and Actual Value of Equalized Assessed Property  
Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Real Property		Railroad Property	
	Equalized Net Assessed Value	Assessed Value (1)	Equalized Net Assessed Value	Assessed Value (1)
2004-05	\$ 1,903,707,392	\$ 5,711,693,345	\$ 3,456,949	\$ 10,371,885
2005-06	2,006,916,740	6,021,352,355	3,183,211	9,550,587
2006-07	2,085,767,636	6,257,928,701	3,557,759	10,674,344
2007-08	2,187,803,005	6,564,065,422	4,064,278	12,194,053
2008-09	2,248,860,332	6,747,255,722	4,818,097	14,455,736
2009-10	2,278,470,703	6,836,095,719	4,801,309	14,405,367
2010-11	2,375,173,415	7,126,232,868	6,049,350	18,149,865
2011-12	2,393,843,331	7,182,248,218	7,280,752	21,844,440
2012-13	2,371,579,526	7,115,450,123	9,365,973	28,100,729
<b>2013-14</b>	<b>2,348,019,552</b>	<b>7,044,763,132</b>	<b>10,624,126</b>	<b>31,875,566</b>

Fiscal Year	Total		Ratio of Equalized Net to Assessed Value	Tax Increment	
	Equalized Net Assessed Value	Assessed Value (1)		Financing District Values	Total Direct Tax Rate
2004-05	\$ 1,907,164,341	\$ 5,722,065,230	33.3	\$ 111,397,463	0.73420
2005-06	2,010,099,951	6,030,902,942	33.3	129,144,903	0.72840
2006-07	2,089,325,395	6,268,603,045	33.3	136,763,705	0.72600
2007-08	2,191,867,283	6,576,259,475	33.3	173,741,645	0.72000
2008-09	2,253,678,429	6,761,711,458	33.3	186,397,699	0.75700
2009-10	2,283,272,012	6,850,501,086	33.3	212,184,030	0.76040
2010-11	2,381,222,765	7,144,382,733	33.3	191,760,157	0.76320
2011-12	2,401,124,083	7,204,092,658	33.3	192,984,430	0.77400
2012-13	2,380,945,499	7,143,550,852	33.3	180,298,543	0.78980
<b>2013-14</b>	<b>2,358,643,678</b>	<b>7,076,638,698</b>	<b>33.3</b>	<b>176,188,912</b>	<b>0.90360</b>

(1) Assessed value equals estimate actual value

Source: County Assessor and County Clerk Records

# Rock Island County, Illinois

## Principal Property Taxpayers Current Year and Nine Years Ago

(Unaudited)

Taxpayer	2014		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Commonwealth Edison	\$ 155,000,000	1	6.57%
Deere & Co.	29,050,925	2	1.23%
DNC Gaming & Entertainment/Jumers Casino	22,000,375	3	0.93%
SDG Macerich Property/Southpark Mall	9,768,540	4	0.41%
Modern Woodmen of America	7,823,999	5	0.33%
Fed Ex Freight	4,946,651	6	0.21%
Walmart-Silvis	4,819,033	7	0.20%
PFG Thoms Proestler Co	4,640,955	8	0.20%
Cordova Energy Company	4,578,523	9	0.19%
Minnesota Mining & Mfg Co	4,538,295	10	0.19%
<b>2014 Total</b>	<b>\$ 247,167,296</b>		<b>10.48%</b>

Taxpayer	2005		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Commonwealth Edison	\$ 77,316,682	1	4.05%
Deere & Co.	41,990,616	2	2.20%
Modern Woodmen	7,999,200	3	0.42%
JI Case Co.	5,736,244	4	0.30%
3M-Minnesota Mining & Manufacturing Co	5,238,436	5	0.27%
PFG Thoms Proestler Co.	4,864,453	6	0.26%
Barjan	4,470,152	7	0.23%
Cordova	4,331,206	8	0.23%
IBP Inc	4,130,478	9	0.22%
Walmart Stores	3,326,773	10	0.17%
<b>2005 Total</b>	<b>\$ 159,404,240</b>		<b>8.36%</b>

Source: County Assessor

Total Taxable Value 2013-2014 \$ 2,358,643,678

Total Taxable Value 2004-2005 \$ 1,907,164,341

## Rock Island County, Illinois

### Property Tax Levies and Collections Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended June 30	Total Tax Levy (Extended)	Current Tax Collections	Percentage of Levy to Collections	Delinquent Tax Collections (Forfeitures Paid)	Total Tax Collections	Collections as Percentage of Current Levy	Delinquent Taxes (Forfeited)	As Percentage of Current Levy
2004-05	\$ 168,591,240	\$ 167,968,745	99.63%	\$ 331,766	\$ 168,300,511	99.83%	\$ 197,702	0.12%
2005-06	178,173,536	177,161,043	99.43	156,833	177,317,876	99.52	185,441	0.10
2006-07	15,159,697	15,142,051	99.88	5,925	15,147,976	99.92	19,878	0.13
2007-08	15,770,214	15,797,683	100.17	11,256	15,808,939	100.25	27,515	0.17
2008-09	17,026,818	17,101,407	100.44	4,237	17,105,644	100.46	41,565	0.24
2009-10	17,326,233	17,408,781	100.48	5,293	17,414,074	100.51	33,890	0.20
2010-11	18,139,336	18,276,082	100.75	10,535	18,286,617	100.81	32,566	0.18
2011-12	18,558,124	18,708,221	100.81	3,913	18,712,134	100.83	36,820	0.20
2012-13	18,781,290	18,873,442	100.49	10,909	18,884,351	100.55	26,415	0.14
<b>2013-14</b>	<b>21,291,544</b>	<b>21,558,810</b>	<b>101.26</b>	<b>16,885</b>	<b>21,575,695</b>	<b>101.33</b>	<b>49,113</b>	<b>0.23</b>

**Source:**

Tax Settlement Book Treasurer's Office

Levy Confirmation Sheet from County Clerk Certified to Collect

NOTE: 2006-07 reports only Rock Island County, Illinois portion of total tax levy.

# Rock Island County, Illinois

## Direct and Overlapping Property Tax Rates

### Last Ten Years

(rate per \$1,000 of assessed value)

(Unaudited)

	Rock Island	Moline	East Moline		Silvis		Milan
	Rock Island	Moline	East Moline	UTHS	Silvis	UTHS	Rock Island
2013-14:							
City	2.39780	2.05000	2.12600	2.12600	1.69000	1.69000	0.98280
Black Hawk College	0.54270	0.54270	0.54270	0.54270	0.54270	0.54270	0.54270
School District	5.30660	5.10900	3.73000	1.90180	3.90360	1.90180	5.30660
Forest Preserve	0.11480	0.11480	0.11480	0.11480	0.11480	0.11480	0.11480
County	0.90360	0.90360	0.90360	0.90360	0.90360	0.90360	0.90360
Total levy	9.26550	8.72010	7.41710	5.58890	7.15470	5.15290	7.85050
Ratio of County to totals	0.09752	0.10362	0.12183	0.16168	0.12629	0.17536	0.11510
2012-13:							
City	2.40020	2.02680	2.11500	2.11500	1.61880	1.61880	0.94160
Black Hawk College	0.54030	0.54030	0.54030	0.54030	0.54030	0.54030	0.54030
School District	5.25900	5.05900	3.69760	1.89560	3.88900	1.89560	5.25900
Forest Preserve	0.09740	0.09740	0.09740	0.09740	0.09740	0.09740	0.09740
County	0.78980	0.78980	0.78980	0.78980	0.78980	0.78980	0.78980
Total levy	9.08670	8.51330	7.24010	5.43810	6.93530	4.94190	7.62810
Ratio of County to totals	0.08692	0.09277	0.10909	0.14523	0.11388	0.15982	0.10354
2011-12:							
City	2.40840	1.97440	2.11180	2.11180	1.61560	1.61560	0.94020
Black Hawk College	0.53690	0.53690	0.53690	0.53690	0.53690	0.53690	0.53690
School District	5.12000	5.06000	3.71940	1.89820	3.88520	1.89820	5.12000
Forest Preserve	0.09440	0.09440	0.09440	0.09440	0.09440	0.09440	0.09440
County	0.77400	0.77400	0.77400	0.77400	0.77400	0.77400	0.77400
Total levy	8.93370	8.43970	7.23650	5.41530	6.90610	5.41530	7.46550
Ratio of County to totals	0.08664	0.09171	0.10696	0.14293	0.11207	0.14293	0.10368
2010-11:							
City	2.40920	1.93240	1.92900	1.92900	1.61320	1.61320	0.90280
Black Hawk College	0.53240	0.53240	0.53240	0.53240	0.53240	0.53240	0.53240
School District	5.11480	5.05840	3.93920	1.89460	3.90440	1.89460	5.11480
Forest Preserve	0.09420	0.09420	0.09420	0.09420	0.09420	0.09420	0.09420
County	0.76320	0.76320	0.76320	0.76320	0.76320	0.76320	0.76320
Total levy	8.91380	8.38060	7.25800	5.21340	6.90740	5.21340	7.40740
Ratio of County to totals	0.08562	0.09107	0.10515	0.14639	0.11049	0.14639	0.10303

(Continued)

# Rock Island County, Illinois

## Direct and Overlapping Property Tax Rates (Continued)

### Last Ten Years

(rate per \$1,000 of assessed value)

(Unaudited)

	Rock Island	Moline	East Moline		Silvis		Milan
	Rock Island	Moline	East Moline	UTHS	Silvis	UTHS	Rock Island
2009-10:							
City	2.38520	1.92880	1.84060	1.84060	1.64980	1.64980	0.89200
Black Hawk College	0.53370	0.53370	0.53370	0.53370	0.53370	0.53370	0.53370
School District	5.06100	5.02660	3.86300	1.94880	3.59400	1.94880	5.06100
Forest Preserve	0.09380	0.09380	0.09380	0.09380	0.09380	0.09380	0.09380
County	0.76040	0.76040	0.76040	0.76040	0.76040	0.76040	0.76040
Total levy	8.83410	8.34330	7.09150	5.17730	6.63170	4.98650	7.34090
Ratio of County to totals	0.08608	0.09114	0.10723	0.14687	0.11466	0.15249	0.10358
2008-09:							
City	2.36380	1.99660	1.77380	1.77380	1.61780	1.61780	0.89680
Black Hawk College	0.53560	0.53560	0.53560	0.53560	0.53560	0.53560	0.53560
School District	5.05580	5.01880	3.82840	1.94760	3.59600	1.94760	5.05580
Forest Preserve	0.09100	0.09100	0.09100	0.09100	0.09100	0.09100	0.09100
County	0.75700	0.75700	0.75700	0.75700	0.75700	0.75700	0.75700
Total levy	8.80320	8.39900	6.98580	5.10500	6.59740	4.94900	7.33620
Ratio of County to totals	0.08599	0.09013	0.10836	0.14829	0.11474	0.15296	0.10319
2007-08:							
City	2.35020	2.00620	1.81160	1.81160	1.71040	1.71040	0.87220
Black Hawk College	0.50160	0.50160	0.50160	0.50160	0.50160	0.50160	0.50160
School District	5.07880	5.05860	3.77540	1.96580	3.52520	1.96580	5.07880
Forest Preserve	0.06900	0.06900	0.06900	0.06900	0.06900	0.06900	0.06900
County	0.72000	0.72000	0.72000	0.72000	0.72000	0.72000	0.72000
Total levy	8.71960	8.35540	6.87760	5.06800	6.52620	4.96680	7.24160
Ratio of County to totals	0.08257	0.08617	0.10469	0.14207	0.11032	0.14496	0.09943
2006-07:							
City	2.36520	1.96460	1.88700	1.88700	1.81160	1.81160	0.87100
Black Hawk College	0.45790	0.45790	0.45790	0.45790	0.45790	0.45790	0.45790
School District	5.11920	5.11520	3.77540	1.94280	3.43360	1.94280	5.11920
Forest Preserve	0.06960	0.06960	0.06960	0.06960	0.06960	0.06960	0.06960
County	0.72600	0.72600	0.72600	0.72600	0.72600	0.72600	0.72600
Total levy	8.73790	8.33330	6.91590	5.08330	6.49870	5.00790	7.24370
Ratio of County to totals	0.08309	0.08712	0.10498	0.14282	0.11171	0.14497	0.10023

(Continued)

## Rock Island County, Illinois

### Direct and Overlapping Property Tax Rates (Continued)

#### Last Ten Years

(rate per \$1,000 of assessed value)

(Unaudited)

	Rock Island	Moline	East Moline		Silvis		Milan
	Rock Island	Moline	East Moline	UTHS	Silvis	UTHS	Rock Island
2005-06:							
City	2.43820	1.95940	1.88220	1.88220	1.92200	1.92200	0.89660
Black Hawk College	0.41450	0.41450	0.41450	0.41450	0.41450	0.41450	0.41450
School District	5.14520	5.15080	3.74760	1.99060	3.53340	1.99060	5.14520
Forest Preserve	0.06920	0.06920	0.06920	0.06920	0.06920	0.06920	0.06920
County	0.72840	0.72840	0.72840	0.72840	0.72840	0.72840	0.72840
Total levy	8.79550	8.32230	6.84190	5.08490	6.66750	5.12470	7.25390
Ratio of County to totals	0.08282	0.08752	0.10646	0.14325	0.10925	0.14214	0.10041
2004-05:							
City	2.57300	1.91160	1.86460	1.86460	1.88600	1.88600	0.88960
Black Hawk College	0.40210	0.40210	0.40210	0.40210	0.40210	0.40210	0.40210
School District	5.17140	5.11080	3.71500	2.01640	3.53900	2.01640	5.17140
Forest Preserve	0.06980	0.06980	0.06980	0.06980	0.06980	0.06980	0.06980
County	0.73420	0.73420	0.73420	0.73420	0.73420	0.73420	0.73420
Total levy	8.95050	8.22850	6.78570	5.08710	6.63110	5.10850	7.26710
Ratio of County to totals	0.08203	0.08923	0.10820	0.14433	0.11072	0.14372	0.10103

Source: County Clerk Current Tax Extensions

All tax rates are expressed in dollars per \$100 of taxable valuation

Included in this report are the major cities within Rock Island County

Not shown:

- a.) 10 Cities & Villages (populations <5,000)
- b.) 18 Townships
- c.) 17 Fire Protection Districts
- d.) 14 Road & Bridge Districts
- e.) 1 Metro Transit Authority
- f.) 1 Metro Airport Authority
- g.) 1 Illini Ambulance
- h.) 2 Flood Plain Districts
- i.) 1 River Conserv. District
- j.) 3 Sanitary Districts
- k.) 3 Multi. Townships
- l.) 3 Special Service Districts
- m.) 9 School Districts <130,000,000 Total Valuation

Rock Island County, Illinois

Direct and Overlapping Property Tax Rates (Continued)

Last Ten Years

(rate per \$1,000 of assessed value)

(Unaudited)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
County Direct Rates:										
Corporate	0.25000	0.24940	0.24120	0.23920	0.24880	0.25000	0.25000	0.24820	0.25000	0.25000
Bond & Interest	0.07880	0.07500	0.07200	0.06840	0.06680	0.06560	0.06700	0.06240	0.06280	0.06480
IMRF	0.08220	0.08780	0.09120	0.08860	0.08900	0.08900	0.09260	0.10520	0.11780	0.14020
County Highway	0.03820	0.03620	0.03640	0.03840	0.04080	0.04240	0.04260	0.04220	0.04480	0.05360
Bridges	0.00280	0.00260	0.00260	0.00480	0.00680	0.00700	0.00700	0.00680	0.00700	0.02140
Mental Health	0.06840	0.06460	0.06240	0.06120	0.06180	0.06160	0.05900	0.05840	0.05900	0.06160
Health	0.02220	0.02200	0.02400	0.02380	0.02720	0.02820	0.03000	0.02980	0.03000	0.03780
Liability Insurance	0.02640	0.02740	0.02760	0.02860	0.03160	0.03200	0.03580	0.04180	0.03800	0.09140
Social Security	0.05320	0.05300	0.05400	0.05340	0.05340	0.05500	0.05260	0.05380	0.05380	0.05520
Extension Education	0.01120	0.01060	0.01040	0.01020	0.00980	0.01000	0.00960	0.00940	0.00960	0.00960
Veterans Assistance	0.01220	0.01200	0.01220	0.01220	0.01780	0.01760	0.01920	0.01900	0.01920	0.01500
Nursing Home	0.08480	0.08420	0.08860	0.08800	0.10000	0.09880	0.09480	0.09400	0.09480	0.10000
Child Advocacy	0.00380	0.00360	0.00340	0.00320	0.00320	0.00320	0.00300	0.00300	0.00300	0.00300
Total Direct Rates	0.73420	0.72840	0.72600	0.72000	0.75700	0.76040	0.76320	0.77400	0.78980	0.90360

Source: County Clerk Current Tax Extensions

All tax rates are expressed in dollars per \$100 of taxable valuation

## Rock Island County, Illinois

### Ratios of Outstanding Debt by Type Last Ten Fiscal Years

(Unaudited)

	General Obligation Bonds <sup>(1)</sup>	Revenue Bonds Payable <sup>(1)</sup>	Capital Leases	Installment Purchase	Total Primary Government	Percentage of Personal Income	Per Capita
2005	\$ -	\$ 8,815,000	\$ -	\$ -	\$ 8,815,000	0.3585%	60.19
2006	1,750,000	8,750,000	-	-	10,500,000	0.3099%	71.75
2007	21,600,000	8,280,000	-	-	29,880,000	0.1162%	203.17
2008	21,515,000	7,790,000	-	-	29,305,000	0.1242%	199.81
2009	25,610,000	8,110,000	-	-	33,720,000	0.1152%	229.66
2010	25,105,000	7,445,000	-	-	32,550,000	0.1152%	220.61
2011	24,420,000	6,750,000	-	-	31,170,000	0.1212%	211.44
2012	23,812,859	6,100,105	-	-	29,912,964	0.1326%	202.78
2013	23,786,104	5,237,887	-	-	29,023,991	0.1403%	197.10
<b>2014</b>	<b>21,518,475</b>	<b>4,397,420</b>	<b>-</b>	<b>-</b>	<b>25,915,895</b>	<b>0.1589%</b>	<b>177.43</b>

Note: The County does not have any Business-Type Activities.

<sup>(1)</sup> Presented net of original issuance discounts and premiums.

## Rock Island County, Illinois

### Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Total County Bonded Debt Outstanding (1)	Total Equalized Net Assessed Value	Percent of Debt to Equalized Net Assessed Value	Estimated Population	Debt Per Capita
2004-05	\$ 8,815,000	\$ 1,907,164,341	0.46220%	146,451	60.19
2005-06	10,500,000	2,010,099,951	0.00522	146,341	71.75
2006-07	29,880,000	2,089,325,395	0.01430	147,071	203.17
2007-08	29,305,000	2,191,867,283	0.01337	146,661	199.81
2008-09	33,720,000	2,253,678,429	0.01496	146,826	229.66
2009-10	32,550,000	2,283,272,012	0.01426	147,546	220.61
2010-11	31,170,000	2,381,222,765	0.01309	147,418	211.44
2011-12	29,912,964	2,401,124,083	0.01246	147,514	202.78
2012-13	29,023,991	2,380,945,499	0.01133	147,258	197.10
<b>2013-14</b>	<b>25,915,895</b>	<b>2,358,643,678</b>	<b>0.01099</b>	<b>146,063</b>	<b>177.43</b>

(1) The fund balance of the Debt Service Fund has been excluded due to the immateriality of such balances.

Source: County records

## Rock Island County, Illinois

### Direct and Overlapping Governmental Activities Debt As of November 30, 2014

(Unaudited)

Governmental Unit	Gross Debt	Percentage of Debt to County *	County Share of Debt
Rock Island County Direct Debt:			
Building Commission	\$ 5,185,000	100.00%	\$ 5,185,000
Rock Island Nursing Home	17,330,000	100.00%	17,330,000
Rock Island County Forest Preserve	5,775,000	100.00%	5,775,000
Overlapping Debt:			
School Districts:			
#1 Erie	-	75.87%	-
#29 Hampton	350,000	100.00%	350,000
#30 UTHS	1,960,000	92.30%	1,809,080
#34 Silvis	3,815,000	100.00%	3,815,000
#36 Carbon Cliff	1,010,000	100.00%	1,010,000
#37 East Moline	7,915,000	100.00%	7,915,000
#40 Moline	29,639,754	100.00%	29,639,754
#41 Rock Island	35,980,000	100.00%	35,980,000
#100 Riverdale	1,370,000	100.00%	1,370,000
#190 Colona	455,000	0.11%	501
#200 Sherrard	7,270,900	30.70%	2,232,166
#203 Westmer	85,000	4.64%	3,944
#223 Orion	8,188,549	7.60%	622,330
#300 Rockridge	9,140,000	98.17%	8,972,738
#503 Black Hawk College	27,565,000	65.61%	18,085,397
Cities and Villages:			
Andalusia	515,000	100.00%	515,000
Coal Valley	1,320,000	89.66%	1,183,512
Cordova	-	100.00%	-
East Moline	30,991,681	100.00%	30,991,681
Hampton	160,000	100.00%	160,000
Milan	11,460,000	100.00%	11,460,000
Moline	63,575,000	100.00%	63,575,000
Rock Island	40,944,999	100.00%	40,944,999
Silvis	9,625,000	100.00%	9,625,000
Special Districts:			
Carbon Cliff Spec. Svc. 3	125,000	100.00%	125,000
Rock Island Spec. Svc. 3	1,440,000	100.00%	1,440,000
Illini Hospital (Ambulance)	6,375,000	87.24%	5,561,550
Metro Mass Transit	-	98.79%	-
Metropolitan Airport	22,730,000	100.00%	22,730,000
Moline Special Svc. 3	-	100.00%	-
Silvis Special Svc. 1	910,000	100.00%	910,000
Coal Valley FPD	470,000	0.87%	4,069
<b>Subtotal, overlapping debt</b>	<b>325,385,883</b>		<b>301,031,720</b>
<b>Totals</b>	<b>\$ 353,675,883</b>		<b>\$ 329,321,720</b>
<b>Total underlying long-term debt</b>	<b>\$ 353,675,883</b>		
<b>Total direct and underlying long-term debt</b>	<b>\$ 329,321,720</b>		

**Source:**

Rock Island County Clerk's Office, Current Tax Extension Book

\* Percentage of Debt to County calculated as follows:

100% - overlapping valuation debt / total valuation

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the County. This process recognizes that, when considering the County's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Rock Island County, Illinois

Legal Debt Margin Information  
As of November 30, 2014

(Unaudited)

Legal Debt Margin Calculation for Fiscal Year 2014										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Assessed value	\$ 2,018,562,150	\$ 2,139,245,172	\$ 2,234,908,738	\$ 2,365,608,928	\$ 2,440,076,128	\$ 2,495,456,042	\$ 2,572,982,922	\$ 2,594,108,513	\$ 2,561,244,042	\$ 2,358,643,678
Debt limit	\$ 58,033,662	\$ 61,503,299	\$ 64,253,626	\$ 68,011,257	\$ 70,152,189	\$ 71,744,361	\$ 73,973,259	\$ 74,580,620	\$ 73,635,766	\$ 67,811,006
Debt applicable to debt limit	8,815,000	10,500,000	29,880,000	29,305,000	33,720,000	32,550,000	31,170,000	29,735,000	28,690,000	25,915,895
Legal debt margin	\$ 49,218,662	\$ 50,911,772	\$ 34,271,341	\$ 68,011,257	\$ 36,432,189	\$ 39,194,361	\$ 42,803,259	\$ 44,845,620	\$ 44,945,766	\$ 41,895,111
Total net debt applicable to the limit as a percentage of debt limit	15.22%	17.07%	46.58%	43.09%	48.07%	45.37%	42.14%	39.87%	38.96%	38.22%

Source: County records

NOTE: As per 50ILCS405/1.10 & 50ILCS20/16.1 any indebtedness of a county with a population less than 1,000,000 inhabitants for building necessary buildings through a Public Building Commission is not limited to the above debt limit rate. Those occurrences of debt issue instead shall not exceed 5% of the total assessed value of taxable property in the county.

## Rock Island County, Illinois

### Demographic and Economic Statistics Last Ten Calendar Years (Unaudited)

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Year	Population <sup>1</sup>	Personal Income		Median Age <sup>3</sup>	Unemployment Rate <sup>4</sup>	School Enrollment <sup>5</sup>
		(Thousands of Dollars)	Per Capita Income <sup>2</sup>			
2003-04	146,817	\$ 4,654,276	31,599	38.0	6.0	23,303
2004-05	146,451	4,786,023	32,543	38.0	5.4	23,038
2005-06	146,341	5,109,481	34,727	38.0	4.8	22,774
2006-07	147,071	5,381,801	36,384	38.0	4.6	22,577
2007-08	146,661	5,731,715	38,859	38.0	4.8	22,484
2008-09	146,826	5,533,178	37,500	39.0	5.6	22,105
2009-10	147,546	5,578,667	37,784	40.0	9.1	22,273
2010-11	147,418	5,846,554	39,660	40.1	9.6	22,301
2011-12	147,514	6,006,915	40,721	40.2	7.8	22,499
2012-13	147,258	6,062,820	41,171	40.5	7.9	22,505
<b>2013-14</b>	<b>146,063</b>	<b>not avail</b>	<b>not avail</b>	<b>40.5</b>	<b>7.1</b>	<b>22,707</b>

**Data Compiled by:** Bi-State Regional Commission

<sup>(1)</sup> U.S. Census Bureau, Population Estimates Program (2003-2009, 2011-2014); 2010 Census

<sup>(2)</sup> U.S. Bureau of Economic Analysis

<sup>(3)</sup> U.S. Census Bureau Population Estimates - (2002-10); ESRI Community Analyst (2012-2014)

<sup>(4)</sup> Illinois Department of Employment Security

<sup>(5)</sup> Illinois State Board of Education (K-12 enrollment)

Update:4/17/15

## Rock Island County, Illinois

### Principal Employers Current Year and Nine Years Ago (Unaudited)

Employer	2005		
	Employees	% of Total Employment	Rank
Deere & Company	8,250	11.09%	1
Rock Island Arsenal	6,150	8.27%	2
Trinity Regional Health System	2,650	3.56%	3
Tyson Fresh Meats	2,400	3.23%	4
Exelon Energy	700	0.94%	5
KONE	600	0.81%	6
Von Maur	570	0.77%	7
Thomas Proestler Co.	525	0.71%	8
Bituminous Casualty Corp	520	0.70%	9
Norcross Safety Products	470	0.63%	10
Total Employment	74,361	30.71%	

**Source:** QC Development Group (2004-05 QC Fact Sheet); IL Dept of Employment Security

	2014		
	Employees	% of Total Employment	Rank
Rock Island Arsenal	7,900	11.63%	1
Deere & Company	5,800	8.54%	2
Tyson Fresh Meats	2,500	3.68%	3
Unity Point-Trinity (Rock Island & Moline)	2,349	3.46%	4
HyVee Rock Island County Locations	1,333	1.96%	5
Moline CSD #40	1,111	1.64%	6
Group O Companies	1,100	1.62%	7
XPAC	1,000	1.47%	8
Genesis Medical Center-Silvis	970	1.43%	9
Walmart (Rock Island County Locations)	868	1.28%	10
Total Employment *	67,942	36.69%	

**Sources:** InfoGroup, Reference USA GOV and individual employers  
IL Dept of Employment Securities  
Data Compiled By: Bi-State Regional Commission

Rock Island County, Illinois

Full-Time Equivalent County Government Employees by Function/Program  
Last Ten Fiscal Years  
(Unaudited)

Function / Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Social service:										
Hope Creek	172.0	168.0	174.0	183.0	232.0	231.5	239.3	249.3	247.10	213.00
Veteran's Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.00	2.00
Health Department	70.5	70.0	72.5	62.5	66.5	63.0	64.0	56.5	58.25	58.50
Mental Health	1.5	1.0	1.0	0.5	0.5	0.5	0.5	0.5	0.50	0.50
<b>Total social service</b>	<b>246.0</b>	<b>241.0</b>	<b>249.5</b>	<b>248.0</b>	<b>301.0</b>	<b>297.0</b>	<b>305.8</b>	<b>308.3</b>	<b>308.85</b>	<b>274.00</b>
General government:										
Auditor	3.0	3.0	3.5	3.5	4.0	3.5	3.5	3.5	3.50	3.50
County Board	15.5	13.5	14.0	13.5	14.0	13.5	14.0	13.5	7.00	7.00
County Clerk	11.0	13.0	11.0	11.0	12.0	10.0	12.0	11.0	11.00	12.00
Recorder	10.0	10.0	9.0	8.0	10.0	9.0	8.0	8.0	7.00	6.00
Superintendent of Education	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.00	1.00
Treasurer	7.0	8.0	7.0	7.0	7.0	7.0	6.0	6.0	6.00	6.00
Assessment Map	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.00	4.00
Board of Review	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.50	1.50
Information Systems	10.0	10.0	10.0	10.0	9.0	9.0	8.0	8.0	7.00	6.00
County Building Maintenance	4.5	4.5	4.5	4.5	4.5	4.0	4.0	4.0	3.60	3.00
Human Resources	-	3.0	2.0	5.0	4.5	2.5	2.3	1.3	-	-
HR/Liability/Civil	6.0	6.0	6.0	4.0	4.0	1.5	1.3	1.3	15.30	14.80
GIS	4.0	4.0	4.0	3.0	3.0	3.0	3.0	2.0	2.00	2.50
Document Storage	3.0	2.0	2.0	2.0	2.5	2.5	2.5	2.5	2.50	2.50
Recorder Document	2.0	2.0	2.0	1.0	2.0	3.0	3.0	3.0	4.00	4.00
Purchasing	3.0	3.0	2.0	3.0	3.0	3.0	3.0	-	-	-
<b>Total general government</b>	<b>86.5</b>	<b>89.5</b>	<b>83.5</b>	<b>81.0</b>	<b>86.0</b>	<b>78.0</b>	<b>77.1</b>	<b>70.6</b>	<b>75.40</b>	<b>73.80</b>

(Continued)

Rock Island County, Illinois

Full-Time Equivalent County Government Employees by Function/Program (Continued)  
Last Ten Fiscal Years  
(Unaudited)

Function / Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public safety & corrections:										
Coroner	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.00	3.00
Sheriff	131.5	110.5	133.0	126.5	134.0	123.0	125.0	128.0	128.00	123.00
EMA	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.50	0.50
Zoning	7.5	7.5	7.0	6.0	4.0	5.0	4.0	3.0	4.50	4.00
Animal Control	3.5	8.0	8.0	7.0	9.5	10.5	11.0	11.5	12.50	11.50
Court Security	13.0	15.0	15.0	13.0	16.0	15.0	15.5	15.5	16.00	15.00
COPS	9.0	8.0	9.0	8.0	11.0	11.0	10.0	10.0	11.00	11.00
<b>Total public safety &amp; corrections</b>	<b>168.5</b>	<b>153.0</b>	<b>176.0</b>	<b>164.5</b>	<b>178.5</b>	<b>168.5</b>	<b>169.5</b>	<b>172.0</b>	<b>175.50</b>	<b>168.00</b>
Public works & transportation:										
Highway	20.5	19.5	20.0	20.0	18.5	15.0	11.0	15.0	9.50	14.50
Motor Fuel Tax	2.0	2.0	2.0	2.0	1.0	7.5	9.0	4.0	7.50	3.50
<b>Total public works &amp; transportation</b>	<b>22.5</b>	<b>21.5</b>	<b>22.0</b>	<b>22.0</b>	<b>19.5</b>	<b>22.5</b>	<b>20.0</b>	<b>19.0</b>	<b>17.00</b>	<b>18.00</b>
Judiciary & legal/legislative:										
Circuit Clerk	32.5	30.5	32.5	31.5	33.5	33.5	33.5	32.5	32.50	33.50
Circuit Court	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.50	3.50
States Attorney	24.5	26.5	25.5	26.5	29.5	27.5	25.5	25.5	21.20	20.70
Court Services	37.5	38.5	38.0	36.0	40.0	37.0	38.0	37.0	37.00	34.00
Ostrom Maintenance	-	-	0.5	0.5	0.5	-	0.5	0.5	0.50	0.50
Public Defender	8.5	7.5	7.5	8.5	8.5	8.5	8.5	8.5	8.00	7.00
Law Library	-	-	-	-	-	-	-	-	-	-
Child Support	4.0	4.0	4.0	3.0	4.0	4.0	3.0	3.0	3.00	2.00
Courthouse Maintenance	12.0	13.0	11.0	11.0	13.0	11.0	13.0	13.0	13.00	11.00
<b>Total judiciary &amp; legal/legislative</b>	<b>122.5</b>	<b>123.5</b>	<b>122.5</b>	<b>120.5</b>	<b>132.5</b>	<b>125.0</b>	<b>125.5</b>	<b>123.5</b>	<b>118.70</b>	<b>112.20</b>
<b>Total</b>	<b>646.0</b>	<b>628.5</b>	<b>653.5</b>	<b>636.0</b>	<b>717.5</b>	<b>691.0</b>	<b>697.9</b>	<b>693.4</b>	<b>695.45</b>	<b>646.00</b>

Source: County year-end payroll report

Rock Island County, Illinois

Operating Indicators by Function/Program  
Last Ten Fiscal Years  
(Unaudited)

Function / Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public safety and legal services:										
Public defender:										
# of cases defended-felony	947	994	1,042	1,059	966	1,008	926	911	945	805
# of cases defended-misdemeanor/traffic	934	940	1,987	2,650	3,440	3,318	3,422	2,764	2,728	2,890
# of cases defended-petition to revoke	350	333	337	282	306	285	230	238	253	243
# of cases defended-other	32	15	18	26	39	35	57	66	42	38
# of cases defended-juvenile	302	312	259	254	220	209	249	224	231	190
Sheriff:										
# of civil papers served	5,259	5,614	7,135	4,697	6,254	5,795	5,624	5,599	4,999	3,448
# of jail bookings	10,359	10,944	11,944	12,741	12,512	10,091	9,618	9,063	8,381	7,190
# of traffic citations written	2,811	3,339	3,210	2,632	2,765	2,619	1,210	3,378	3,398	2,403
# of 911 calls(in-coming,out-going, & admn)	6,724	5,610	20,534	14,270	14,300	13,188	13,795	14,426	43,477	43,567
# prisoner days per year	90,286	97,852	118,598	115,052	83,950	107,461	95,080	99,085	98,564	95,817
average daily count	2,547	268	269	251	230	270	259	258	263	238
Emergency Management Agency										
# of Exercises performed & evaluated	1	1	1	1	1	3	3	3	4	6
# of Activations for severe weather	-	-	-	2	2	2	2	2	2	2
# of Participation in Regional Emergency	1	1	1	1	2	1	1	4	-	-
Judicial:										
Court Administration										
# of Juror Summons Mailed	18,800	18,800	1,525	13,200	14,500	17,600	15,200	15,305	15,549	15,924
# of Juror Summons Returned	8,500	8,500	6,025	5,280	5,950	7,900	4,764	6,170	5,963	5,239
# of Trials conducted	41	59	53	55	46	55	55	31	31	39
State Attorney										
# of felonies filed	1,104	1,216	1,251	1,274	1,151	1,176	1,164	1,149	1,098	1,024
Circuit clerk:										
# of New Criminal Cases Filed	not avail.	not avail.	3,661	3,625	3,435	3,000	3,008	3,123	3,027	2,774
# of Criminal Cases Closed	not avail.	not avail.	2,573	2,455	2,366	3,185	2,917	2,923	3,105	2,775
# of Bonds Processed	not avail.	not avail.	15,406	16,056	13,992	12,433	12,851	13,537	14,052	12,906
# of DUI Cases Filed	not avail.	not avail.	998	1,133	1,260	1,173	1,185	1,058	931	846
# of Traffic Cases Filed	not avail.	not avail.	31,497	28,700	27,010	23,883	20,954	22,784	18,925	18,467
Veteran's assistance:										
# of veterans assisted	745	815	910	1,621	2,246	1,283	3,082	3,084	1,187	2,335
# of cases	610	652	734	1,194	2,981	899	862	804	728	888
value of assistance	127,710	130,886	138,709	249,785	358,472	163,994	152,536	133,042	110,690	116,486
# of claims	149	188	226	218	160	196	195	162	247	194
# of referrals	68	70	162	125	82	44	49	51	35	42
# of med equipment	26	38	75	82	67	145	81	149	79	143
Health Department:										
# of common disease requiring investigation	251	289	438	413	422	490	539	493	336	469
# of environ health inspections conducted	3,083	2,927	3,112	2,853	2,797	2,920	2,877	2,681	2,935	2,658
# of grants	28	29	34	39	35	32	30	29	29	29
Coroner:										
# of coroner cases in Rock Island County	1,101	1,101	1,042	1,109	1,103	1,105	1,123	1,228	1,242	1,462
# of autopsies held	43/43*	28/28*	45/44*	42/42*	39/39*	26/26*	32/32*	28/28*	41/41*	41/41*
# of inquests no jury	56	61	84	90	49	57	57	62	78	83
# of cremation permits issued	355	384	395	408	405	442	517	564	604	555
# of cremation permit fees waived	N/A	N/A	N/A	N/A	N/A	N/A	N/A	44	42	49

\* County paid

(Continued)

**Rock Island County, Illinois**

**Operating Indicators by Function/Program (Continued)**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Function / Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
County recreation & culture:										
Forest preserve:										
# of boat launch ramps	4	4	4	4	4	4	4	4	4	4
# of ball diamonds	5	5	5	5	5	5	5	5	5	5
# of forest preserves	5	5	5	5	5	5	5	5	5	5
# of zoos 287.3 acres	1	1	1	1	1	1	1	1	1	1
# of campgrounds	2	2	2	2	2	2	2	2	2	2
# of playgrounds	8	8	8	8	8	8	8	8	8	8
# manmade lakes 167 acres	1	1	1	1	1	1	1	1	1	1
# of golf courses	1	1	1	1	1	1	1	1	1	1
Planning and development, zoning:										
# of building permits issued	875	787	762	758	764	781	766	659	805	792
Value of issued permits	23,094,238	15,236,682	23,680,059	47,594,263	12,362,128	33,220,103	40,768,445	17,263,743	17,038,858	24,402,546
Transportation & public works:										
Highway:										
# of miles of road state, co, city, township	1,392.56	1,392.56	1,394.36	1,401.73	1,418.90	1,416.57	1,425.63	1,429.12	1,440.06	1,445.75
# of miles of road paved-concrete & bituminous	1,177.27	1,177.27	1,179.07	1,187.14	1,204.45	1,205.91	1,235.59	1,247.76	1,268.12	1,268.50
# of miles of road improved-rock & oiled	209.51	209.51	209.51	208.34	208.14	204.87	184.67	175.39	170.59	171.90
# of bridges repaired/replaced	1	-	2	1	1	-	-	1	-	3.00
Governmental services to residents:										
County clerk elections:										
# of elections	2	2	2	2	2	2	2	2	2	2
# of registered voters	104,030	117,626	95,314	99,048	99,141	101,858	80,153	91,636	91,092	93,478
# of votes cast in general election	70,308	47,130	8,360	68,933	22,480	47,053	6,248	65,574	16,283	45,527
% of registered voters cast ballots	67.58%	40.07%	8.77%	60.13%	22.67%	46.19%	7.80%	71.56%	18.37%	48.70%
County clerk:										
# of original birth certificates issued	not avail.	11,962	10,463	10,647	9,841	9,357	8,414	8,186	8,288	7,637
# of birth certificate copies issued	not avail.	1,610	1,502	1,312	1,214	1,194	1,200	1,236	1,339	1,026
# of original death certificates issued	not avail.	804	541	686	556	633	618	576	573	462
# of death certificate copies issued	not avail.	255	194	239	209	216	240	196	204	150
# of marriage licenses	not avail.	1,119	1,137	1,104	1,096	1,092	995	1,000	1,000	1,075
# of original marriage certificates issued	not avail.	2,311	1,764	2,031	2,066	2,183	2,149	1,982	2,186	2,140
# of marriage certificate copies issued	not avail.	769	949	863	833	1,069	992	1,091	939	997
# of original civil union certificates issued	N/A	N/A	N/A	N/A	N/A	N/A	18	21	8	4
# of civil union certificate copies issued	N/A	N/A	N/A	N/A	N/A	N/A	18	13	6	2
# of civil union licenses	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3
Recorder:										
# of real estate transactions recorded	33,205	31,014	30,859	27,736	29,296	31,968	28,194	31,145	28,066	22,484
# of discharged service men/women	39	58	44	38	52	54	63	46	40	50

(Continued)

Rock Island County, Illinois

Operating Indicators by Function/Program (Continued)  
Last Ten Fiscal Years  
(Unaudited)

Function / Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Administration:										
Auditor:										
# of vouchers processed	19,403	20,824	20,759	21,443	21,478	22,465	21,889	23,054	20,738	21,392
Information technology:										
# of network users	-	-	553	553	553	432	445	511	487	541
Treasurer:										
# of tax bills mailed	62,631	63,010	58,143	63,438	63,373	63,340	63,354	63,318	63,273	63,150
# mobile home tax bills	2,195	2,007	1,720	1,815	1,740	1,719	1,682	1,654	1,648	1,588
# of tax distributions made					8	9	10	10	9	10
Human resources:										
Payroll checks	19,879	20,331	20,108	21,038	21,040	23,182	27,034	28,245	26,453	25,931
Superintendent of Education:										
Schools within the County:										
Public schools:										
# of elementary schools	42	42	42	41	41	40	40	40	40	37
# of junior high schools	10	10	10	10	11	11	10	10	10	12
# of senior high schools	6	6	6	6	6	6	6	6	6	6
# of alternative high schools	5	5	5	5	5	5	5	5	5	5
# of total students (Pre-K to 12)	23,973	23,718	23,569	23,307	23,213	23,212	23,279	24,132	24,172	24,224
Nonpublic schools:										
# of Pre-K to 8 schools	9	7	9	9	9	6	7	7	7	7
# of high schools	3	3	3	3	3	3	3	3	3	3
# of total students	2,542	2,232	2,723	2,140	2,122	2,119	2,132	2,449	2,290	2,198
Higher education:										
# of universities	1	1	1	1	1	1	1	1	1	1
# of colleges	1	1	1	1	1	1	1	1	1	1
# of junior colleges	1	1	1	1	1	1	1	1	1	1
Other:										
# of industrial land parcels	558	561	558	559	559	555	549	549	584	579
# of farming acres	198,109	196,442	196,006	193,233	196,121	192,973	192,887	192,887	192,987	193,310
# of farms	4,164	4,180	4,201	4,102	4,102	4,132	4,153	4,153	4,173	4,196

Rock Island County, Illinois

Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years  
(Unaudited)

Function / Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Social Services:										
# of vehicles	22	19	19	22	16	20	19	24	27	29
# of buildings	8	8	8	7	7	3	3	3	3	3
General Government:										
# of vehicles	2	2	2	4	3	4	5	5	12	12
# of buildings	1	1	1	1	2	3	2	2	2	2
Public Safety/Judiciary:										
# of patrol cars	39	49	49	52	62	66	74	74	78	79
# of other vehicles	53	51	55	55	38	29	22	28	33	38
# of buildings	7	8	8	8	8	7	7	7	7	7
Public Works & Transportation:										
# of vehicles	27	28	31	28	25	24	24	30	30	29
# of buildings	7	7	7	7	6	7	7	7	7	7
Culture & Recreation:										
# of acres managed	2,489.6	2,489.6	2,489.6	2,489.6	2,489.6	2,489.6	2,496.9	2,496.9	2,496.9	2,496.9
# of vehicles	26	25	28	32	34	35	35	34	33	37
# of buildings	48	64	60	61	59	57	58	58	59	59

## APPENDIX B

### PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

We hereby certify that we have examined certified copy of the proceedings (the “*Proceedings*”) of the Board of Commissioners of The Rock Island County Public Building Commission, Rock Island County, Illinois (the “*Commission*”), passed preliminary to the issue by the Commission of its fully registered Public Building Revenue Bonds, Series 2016 (the “*Bonds*”), to the amount of \$28,000,000, dated February 29, 2016, due serially on December 1 of the years and in the amounts and bearing interest as follows:

2020	\$ 605,000	3.000%
2021	625,000	3.000%
2022	645,000	4.000%
2023	670,000	4.000%
2024	695,000	5.000%
2025	730,000	5.000%
2026	770,000	5.000%
2027	805,000	3.000%
2028	830,000	3.000%
2029	855,000	3.125%
2030	880,000	5.000%
2031	925,000	5.000%
2036	5,375,000	5.000%
2041	6,860,000	5.000%
2045	6,730,000	4.000%

the Bonds due on December 1, 2036, being subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Bond Registrar (as defined in the Proceedings), at a redemption price of par plus accrued interest to the redemption date, on December 1 of the years and in the principal amounts as follows:

YEAR	PRINCIPAL AMOUNT
2032	\$ 975,000
2033	1,020,000
2034	1,075,000
2035	1,125,000
2036	1,180,000 (stated maturity)

the Bonds due on December 1, 2041, being subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Bond Registrar, at a redemption price of par plus accrued interest to the redemption date, on December 1 of the years and in the principal amounts as follows:

YEAR	PRINCIPAL AMOUNT
2037	\$ 1,240,000
2038	1,305,000
2039	1,370,000
2040	1,435,000
2041	1,510,000 (stated maturity)

the Bonds due on December 1, 2045, being subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Bond Registrar, at a redemption price of par plus accrued interest to the redemption date, on December 1 of the years and in the principal amounts as follows:

YEAR	PRINCIPAL AMOUNT
2042	\$ 1,585,000
2043	1,650,000
2044	1,715,000
2045	1,780,000 (stated maturity)

the Bonds due on or after December 1, 2027, being subject to redemption prior to maturity at the option of the Commission as a whole or in part in any order of their maturity as determined by the Commission (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on December 1, 2026, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, as provided in the Proceedings, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion the Bonds, to the amount named, are valid and legally binding upon the Commission, and are payable, both as to principal and interest, solely and only from the revenues derived from the operation, management or use of the Justice Center as described in the Proceedings (the "*Revenues*"), which Revenues include payments received under an amended and restated lease agreement, duly authorized and entered into between the Commission, as lessor, and The County of Rock Island, Illinois (the "*County*"), as lessee, for the use of the Justice Center (the "*Amended Lease*"). The County Board of the County has adopted an ordinance providing for the levy and collection of direct annual taxes upon all taxable property in the County sufficient to pay the annual rentals due under the Amended Lease. In our opinion all taxable property in the County is subject to the levy of taxes to pay the same without limitation as to rate or amount. 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. The Bonds are issued on a parity and share ratably and equally in the Revenues with the Commission's outstanding Justice Center Revenue Refunding Bonds, Series 2009, and Justice Center Revenue Refunding Bonds, Series 2012.

It is our opinion that, subject to compliance by the Commission and the County with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended, but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such Commission and County covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the Commission and the County with respect to certain material facts within the knowledge of the Commission and the County. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

## **APPENDIX C**

### **SPECIMEN MUNICIPAL BOND INSURANCE POLICY**



## MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By \_\_\_\_\_  
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.  
31 West 52nd Street, New York, N.Y. 10019  
(212) 974-0100

# **Exhibit 7**

**Walter D. Braud**  
Chief Judge



**Victoria A. Bluedorn**  
Trial Court Administrator

Office of the Chief Judge  
14<sup>th</sup> Judicial Circuit  
State of Illinois

210 15<sup>th</sup> Street, Room 408  
Rock Island, Illinois 61201

Telephone: (309) 558-3906  
(309) 558-3289

Fax: (309) 558-3263

E-mail: [wbraud@co.rock-island.il.us](mailto:wbraud@co.rock-island.il.us)  
[vbluedorn@co.rock-island.il.us](mailto:vbluedorn@co.rock-island.il.us)

November 13, 2017

RICO Board Chairman Kenneth Maranda  
RICO Board Members

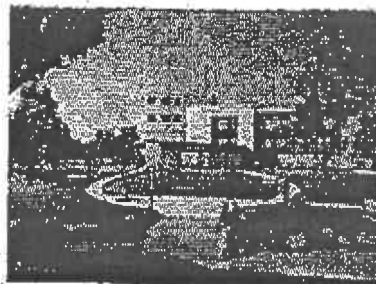
RE: Authorization for the PBC to raze the Courthouse

Mr. Chairman and members of the Rock Island County Board:

I respectfully request the Rock Island County Board authorize the Public Building Commission to raze the Courthouse to address safety and security concerns. Here is my rationale and proposal:

#### PROPOSAL

I propose that the PBC abate asbestos, raze the Courthouse, and turn the area east of the Annex into greenspace like the illustration below. The PBC is prepared to absorb the estimated \$1,600,000 cost and pay for it out of the \$28,000,000 Annex construction budget. The Annex bonds were issued in 2016 so my proposal does not cost Rock Island County taxpayers or the County Board any additional money.



ROCK ISLAND COUNTY JAIL AND COURT HOUSE

#### PBC AUTHORITY

Rock Island County's jail only PBC lacks authority to spend money to renovate the Courthouse into county office space. Rock Island County voters rejected a more expansive public building commission in 2013.

But all PBC's have standing statutory authority to raze a nearby structure. Our States Attorney and the PBC Board Attorney are satisfied that an inter-governmental agreement between the entities will allow the PBC to raze the Courthouse and beautify the site. The attorneys can prepare the documents. This agreement will make it easy for the County and the PBC to remediate a public hazard.

#### NEED FOR A PROMPT RESPONSE

Time is critical. Our architects and construction manager inform me early January is our deadline for key construction plans to be finalized to keep the Annex project on time and within budget. We can't know how much money to hold back until we know what must be done.

If you respond favorably to my proposal on or before January 1, 2018, your financial contribution to raze will be zero. If you reject my proposal or fail to respond by January 1, 2018, then the \$1,600,000 reserve will be released so that other needs tentatively cut from the budget can be funded and addressed. In other words, any delay past January 1 has a cost associated with it, not in your favor.

#### COST TO RENOVATE

For years some on your Board have argued the Courthouse is salvageable and point to Augustina's Old Main. Wealthy benefactors donated the \$13,000,000 (\$9,000,000 for interior work and \$4,000,000 for exterior work) necessary to redo this iconic college structure. But Old Main is not an apple to apple comparison to the Courthouse.

Augustana officials made this public comment about pre-renovation conditions at Old Main: "We found out really nothing there was failing, it was just tired." KJWW's 2008 inspection and report tells a much different story about the Courthouse. Critical systems were failing with conditions so decrepit the building was deemed a tear down. For instance, the roof will not support the weight of a modern air handling system. In the end it is cheaper for taxpayers to build a new structure rather than renovate the Courthouse.

Judges occasionally must tell people what they need to hear, not what they want to hear. You need to hear this. Whether renovation costs \$13,000,000 or \$22,000,000 is irrelevant when the County Board can't raise even \$500,000 to remediate a known hazard. Taxpayers have no appetite to fund a Courthouse renovation. If you pursue a renovation pipe dream it will cost the County Board and ultimately taxpayers a lot of money.

#### MASTER PLAN

In 2009 a joint committee of Judges and County Board members studied long term building options. The County Board expressed a desire for one campus with one public entrance. The single entrance was deemed convenient for the public. This arrangement also allowed county offices to fall under the security umbrella the Sheriff already provides to the judiciary at no additional cost to the County.

That joint committee years ago supported and recommended the present two-step course of action. Use the existing PBC to address the most pressing courtroom needs. Other county building needs would be addressed when voter approval was secured. The Annex compliments and furthers the County Board's master plan. The new Annex entrance is positioned to serve as the public entrance

to the campus. The Annex, Justice Center, and Jail as well as any building constructed to the East would complete the campus.

You are urged to stay the course. Raze the Courthouse and build a modern structure in the footprint of the Courthouse when county finances permit. Our children and grandchildren will be grateful.

### SAFETY & SECURITY

My request for new courtrooms in the Annex was based upon the fact the existing Courthouse could not be remodeled to meet minimum courtroom standards. Serious discussions with the County Board about new courtrooms began in 2008. With construction scheduled for completion in October 2018 it will be a 10-year process.

My request to raze the Courthouse is based upon safety and security concerns. The Sheriff will not have authority to secure the Courthouse once it loses its identity as a "courthouse" later next year. The proximity of an abandoned, unmaintained and unsecured building poses a fire threat, risk of additional building components falling on passersby's and a perch and hiding area for those who might have ill motives toward those entering and using the new Annex, which will be within 25 feet of the abandoned building. Such conditions place my judges, my staff, and the public at grave risk.



For instance, abandoning the Courthouse in place is not going to stop large jagged chunks of building facade from falling off the building and striking the public sidewalk below. The County Board lacks the \$200,000 necessary to remediate this condition. Abandonment in place only increases the likelihood a passerby is eventually injured or killed by falling stone.


These safety and security concerns are exigent circumstances so razing the Courthouse is a top priority for me. Other Annex needs were tentatively cut from the project to carve out the \$1,600,000 to extend this offer. The County lacks the funds to pay for this and the taxpayers demonstrate no stomach to spend any more money on the Courthouse. Razing needs to happen.

Waiting another year let alone ten years for these unsafe conditions to be resolved is not an option. As Chief Judge, I have the authority to administratively order the Courthouse razed. Please do not place me in that position. My preference is to spend scant public dollars on remediating the problem by razing the Courthouse instead of on litigation to force you to pay for razing remediation.

### VISIT THE CONSTRUCTION SITE

The County Board and the public in general are strongly encouraged to visit the Annex construction site. Your eyes will tell you the truth. The Courthouse needs to come down, and there is no reason for delay.

Sincerely,



Walter Braud  
Chief Judge  
14th Judicial Circuit

WDB/sll

cc 14<sup>th</sup> Circuit Judges

Kurt Davis, Acting County Administrator

Gerry Bustos, Rock Island County Sheriff

John McGehee, Rock Island County States Attorney

# **Exhibit 8**



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# ROCK ISLAND COUNTY JUSTICE CENTER EXPANSION

## BOARD PRESENTATION

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February 16, 2016

An architectural rendering of a modern, multi-story building with a curved facade and large windows. The building is light-colored with dark window frames. In the foreground, there is a sign that reads "Rock Island County Justice Center". To the right, there is a parking lot with a few cars and a sign that says "CELL PHONES Are Not Permitted Inside Buildings". A flagpole with an American flag stands in front of the building. The overall scene is in grayscale.

## AGENDA

---

# PROJECT OVERVIEW

# CONCEPT DESIGN

---

An architectural rendering of a modern, multi-story building with a curved facade and large windows. The building is light-colored with dark window frames. In the foreground, there is a sign that reads "Rock Island County Justice Center". To the right, there is a parking lot with a few cars and a sign that says "CELL PHONES Are Not Permitted Inside Buildings". A flagpole with an American flag stands in front of the building. The overall scene is in grayscale.

## AGENDA

---

# PROJECT OVERVIEW

## CONCEPT DESIGN

---

# PROJECT OVERVIEW

## Old Courthouse – Existing Conditions Summary

- Cost of building maintenance.
- Courtrooms do not comply with State of Illinois Supreme Court Guidelines (several courtrooms with internal columns)
- Lack of ADA accessibility to public positions in the courtrooms
- No separate circulation systems for public, staff, and inmate delivery
- Clerk of Court operations dispersed over 3 floors
- Lack of Attorney/Client Conference Rooms
- Insufficient public queuing for security screening
- No infrastructure for court technology
- Disconnect between Courthouse and Justice Center – movement of staff and records.
- Inadequate security systems (physical & electronic)

# PROJECT OVERVIEW

## Guiding Principles

- Clearly define building entry and public circulation flow between Justice Center and new Expansion.
- Provide dedicated secure inmate circulation corridor between Justice Center and new Expansion that is apart from public and staff circulation.
- Maximize high volume public functions on the lower levels of the new Expansion (Traffic Courtrooms).
- Circuit Court Clerk located on a single floor to increase operational efficiencies.
- Direct connection for judicial staff between Justice Center and Expansion to move records, evidence and staff
- Relocate States Attorney from Old Courthouse to new Expansion.

# PROJECT OVERVIEW

## Program Summary

- 6 Litigation Spaces
  - 2 Traffic Courtrooms
  - 3 Civil Hearing Rooms
  - 1 Domestic Violence Hearing Room
- Judicial Support
- Court Administration
- Clerk of Court
- State's Attorney
- Temporary Inmate Holding Areas

Target Building Gross Area = **53,450 BGSF**

A grayscale architectural rendering of a modern, multi-story building with a curved facade and large windows. The building is identified by a sign as the Rock Island County Justice Center. In the foreground, there is a parking lot with several cars, a flagpole with the American flag, and a sign that reads "CELL PHONES Are Not Permitted Inside Buildings".

## AGENDA

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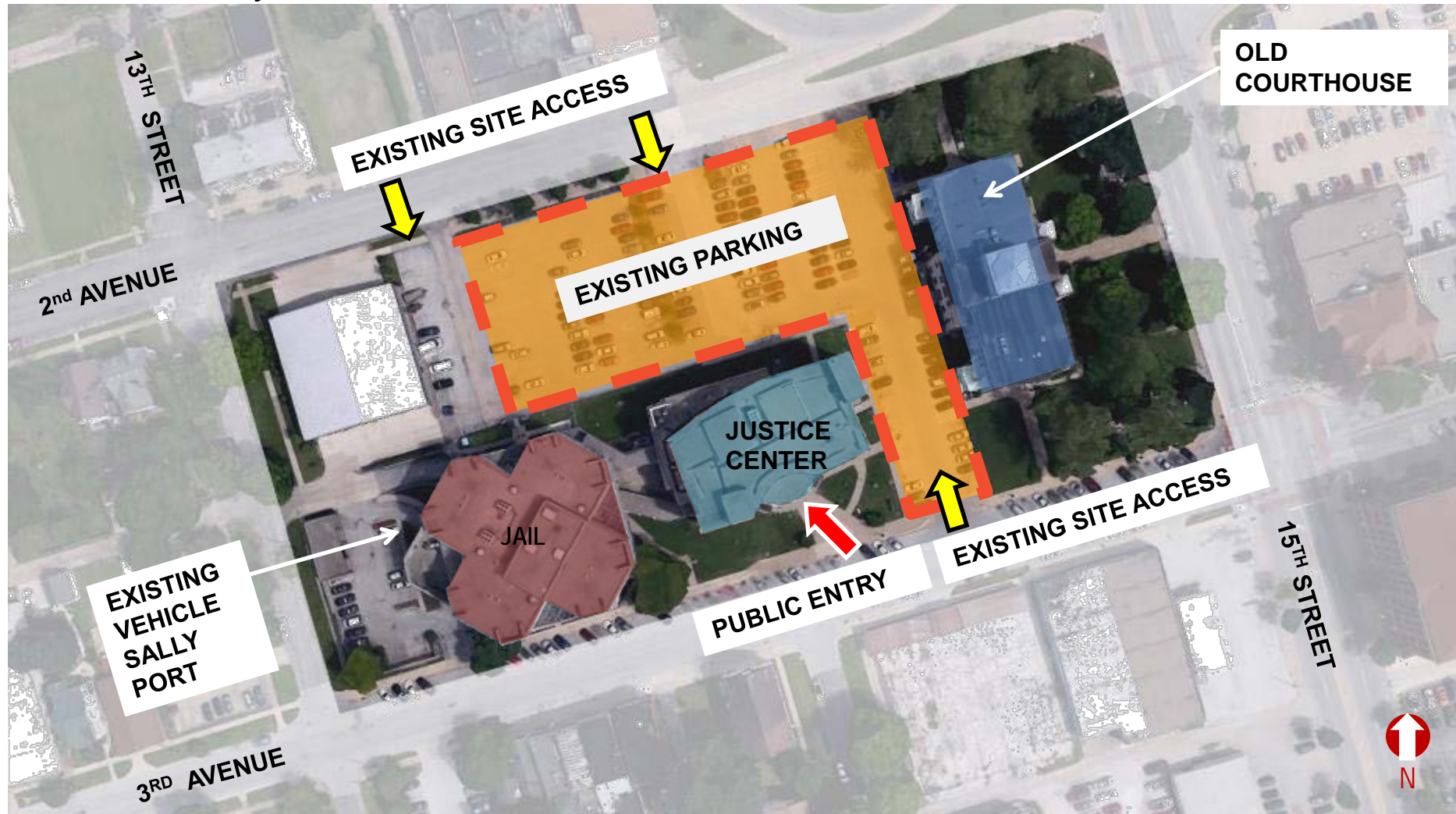
# PROJECT OVERVIEW

# CONCEPT DESIGN

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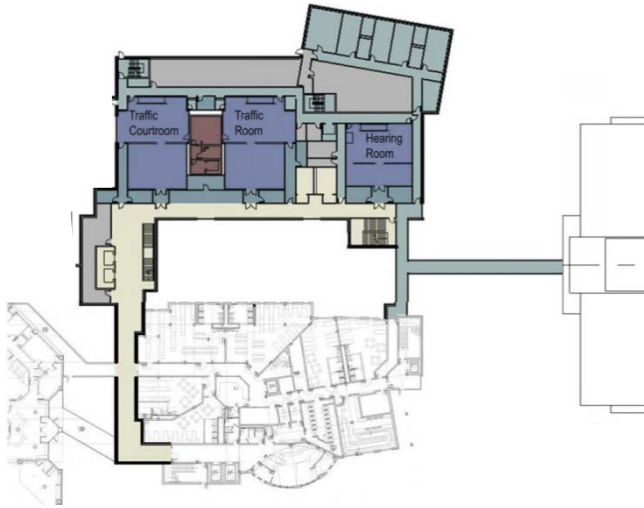
# CONCEPT DESIGN

## Site Analysis



# CONCEPT DESIGN

## Tested Site Options



### Option A

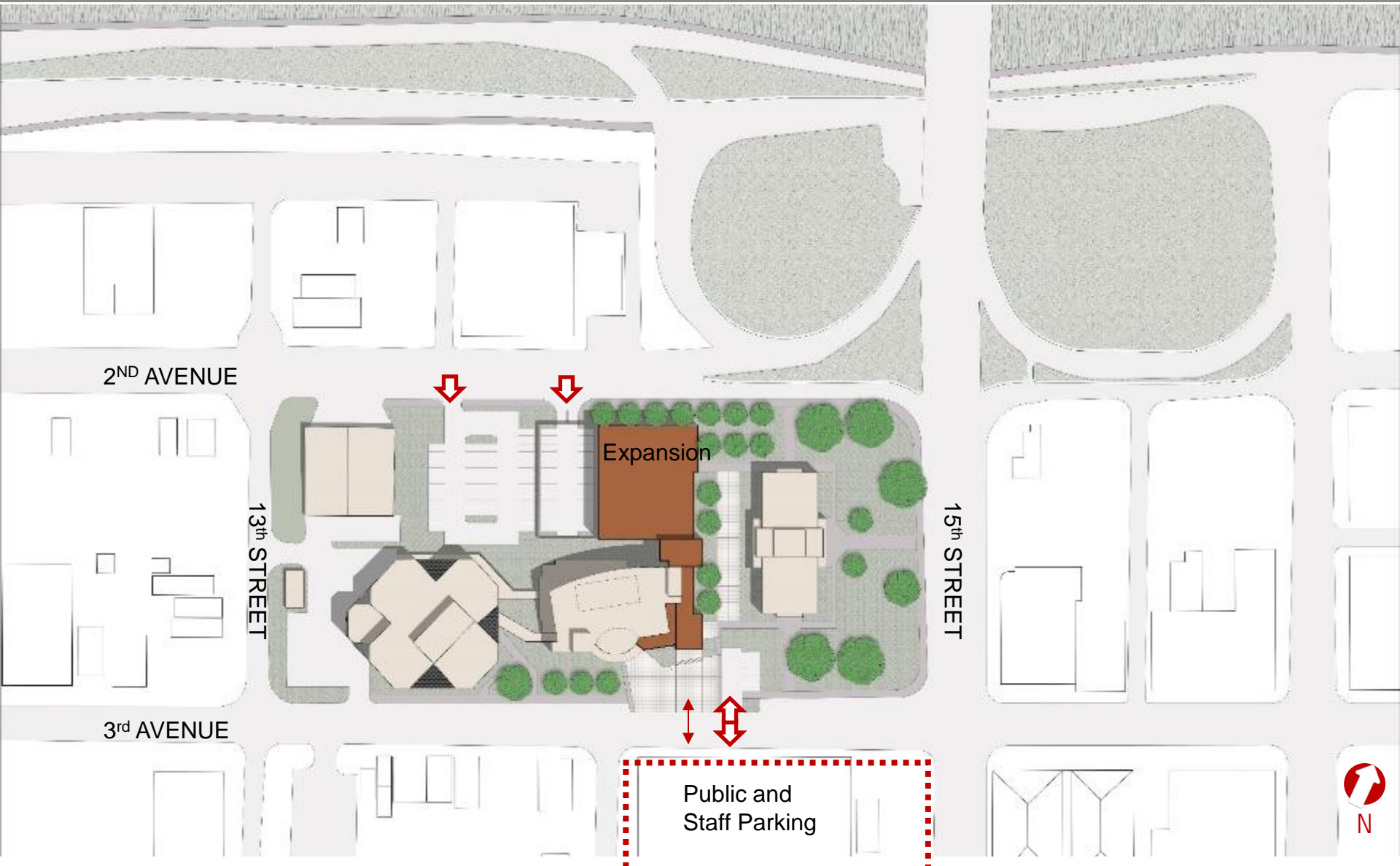
- North Expansion (E/W orientation)
- Public Connection to West
- Restricted Connection to East
- Inner Courtyard



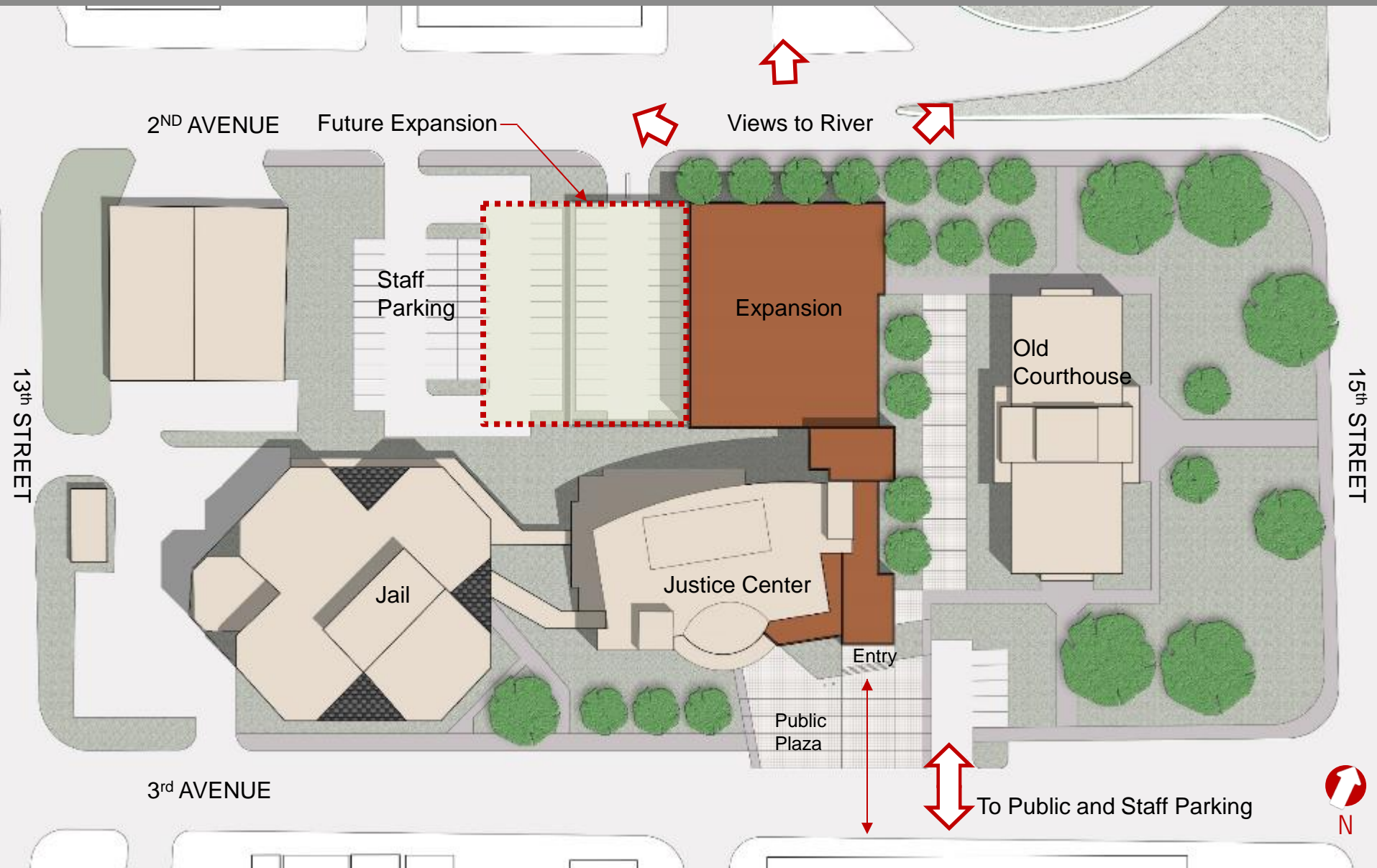
### Option B

- North Expansion (N/S orientation)
- Public Connection to East
- Restricted Connection upper floors
- Angle views to river (Judges/Public)

# CONCEPT DESIGN



# CONCEPT DESIGN



# CONCEPT DESIGN

## Building Organization

- 4-story concept with 6 Courtrooms & Hearing Rooms
- (2) Traffic Courtrooms with enhanced Security Screening on Level 1
- (1) Domestic Violence Hearing Room and (1) Civil Court Hearing Room on Level 2
- Court Administration on Level 2
- In-custody delivery through vacated recreation area on Level 2
- Clerk of Circuit Court on Level 3 with connection to Justice Center
- (2) Civil Court Hearing Rooms and States Attorney on Level 4

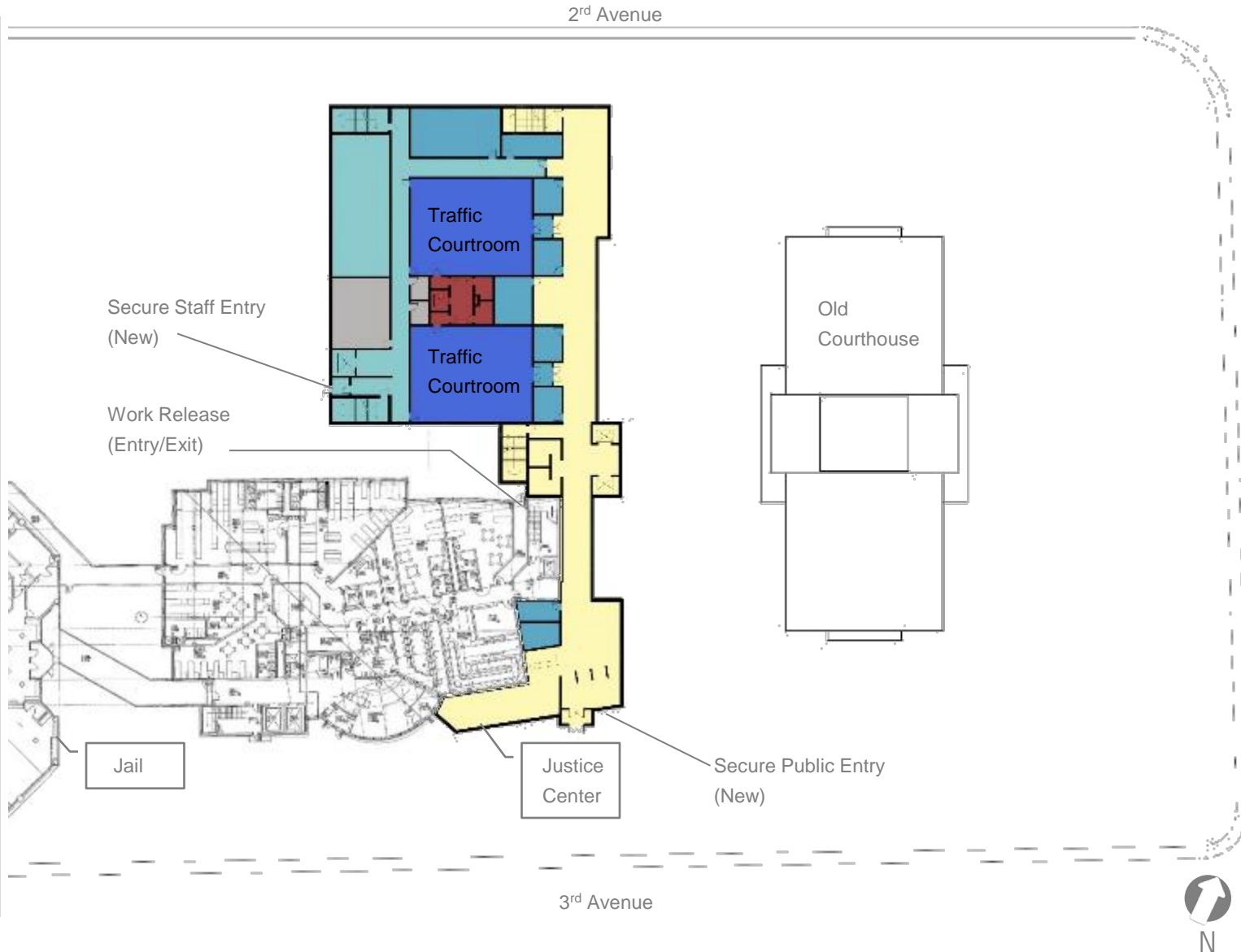
Level	Department	Program DGSF	BGSF
LEVEL 1:	Court Set - Traffic (2)	8,779	
	Circuit Clerk - PHO	338	
	Court Support - Security Screening	918	
	Court Support - Mail Room	92	
	MEP	785	
	<b>TOTAL</b>	<b>10,912</b>	<b>13,749</b>
LEVEL 2:	Court Set - DV (1) + Hearing (1)	5,512	
	Domestic Violence - Office Area	945	
	Court Admin. - Office Area	1,179	
	Court Admin. - Court Reporter	660	
	Court Admin. Law Library/Self Help	568	
	Court Support - Bailiff	230	
	Court Support - Shared Conference Room	345	
	MEP	785	
	<b>TOTAL</b>	<b>10,224</b>	<b>12,882</b>
LEVEL 3:	Circuit Clerk - Office	9,312	
	MEP	786	
	<b>TOTAL</b>	<b>10,098</b>	<b>12,723</b>
LEVEL 4:	Court Set - Hearing (2)	5,724	
	States Attorney	4,677	
	MEP	786	
	<b>TOTAL</b>	<b>11,187</b>	<b>14,096</b>
	<b>BUILDING TOTAL</b>	<b>42,421</b>	<b>53,450</b>

# CONCEPT DESIGN

## Floor Plan Level 1

### Legend

- Building Support
- Clerk of Courts
- Court Administration
- Court Support
- Courts
- Domestic Violence
- State Attorney
- Restricted
- Public
- Secure

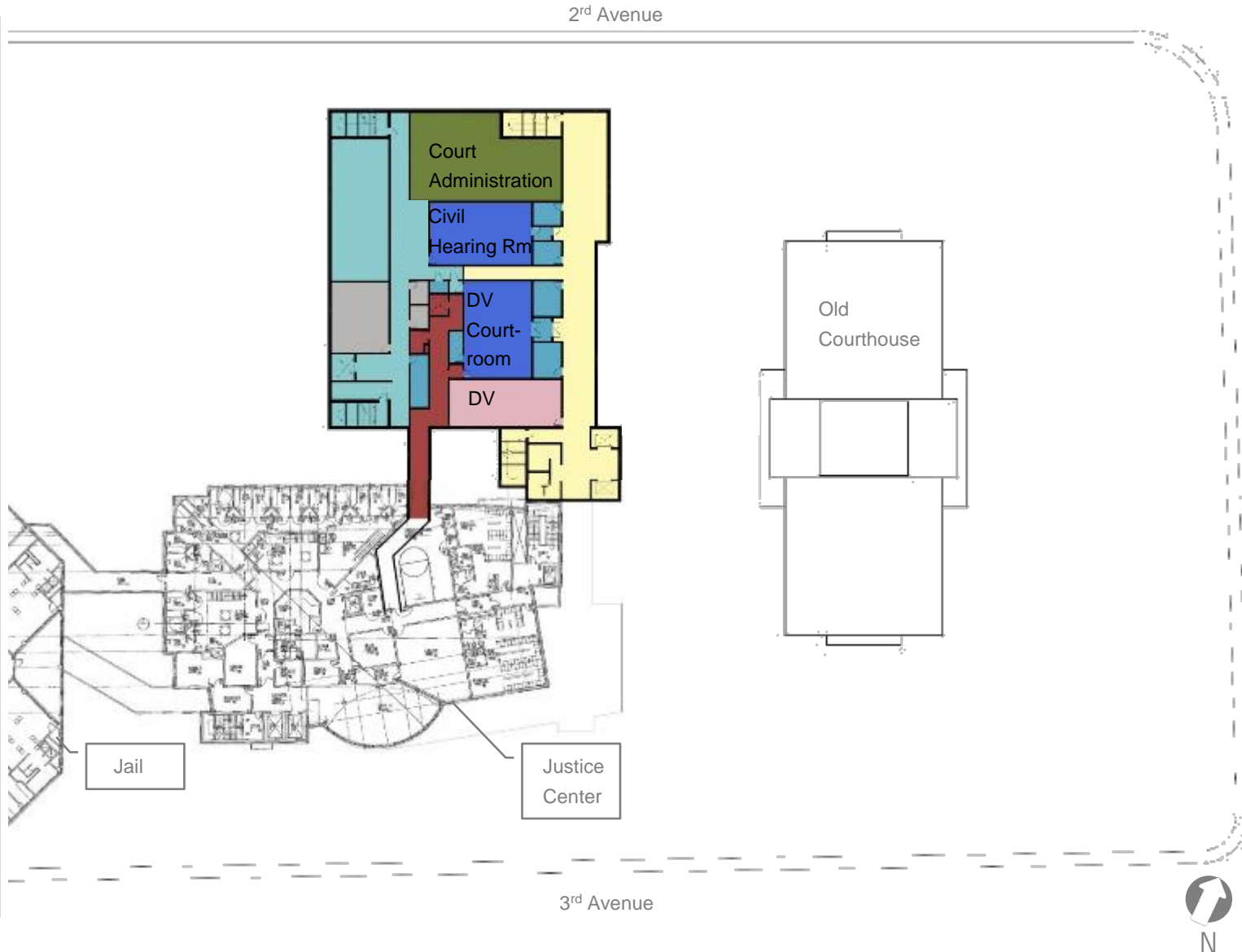


# CONCEPT DESIGN

## Floor Plan Level 2

### Legend

- Building Support
- Clerk of Courts
- Court Administration
- Court Support
- Courts
- Domestic Violence
- State Attorney
- Restricted
- Public
- Secure

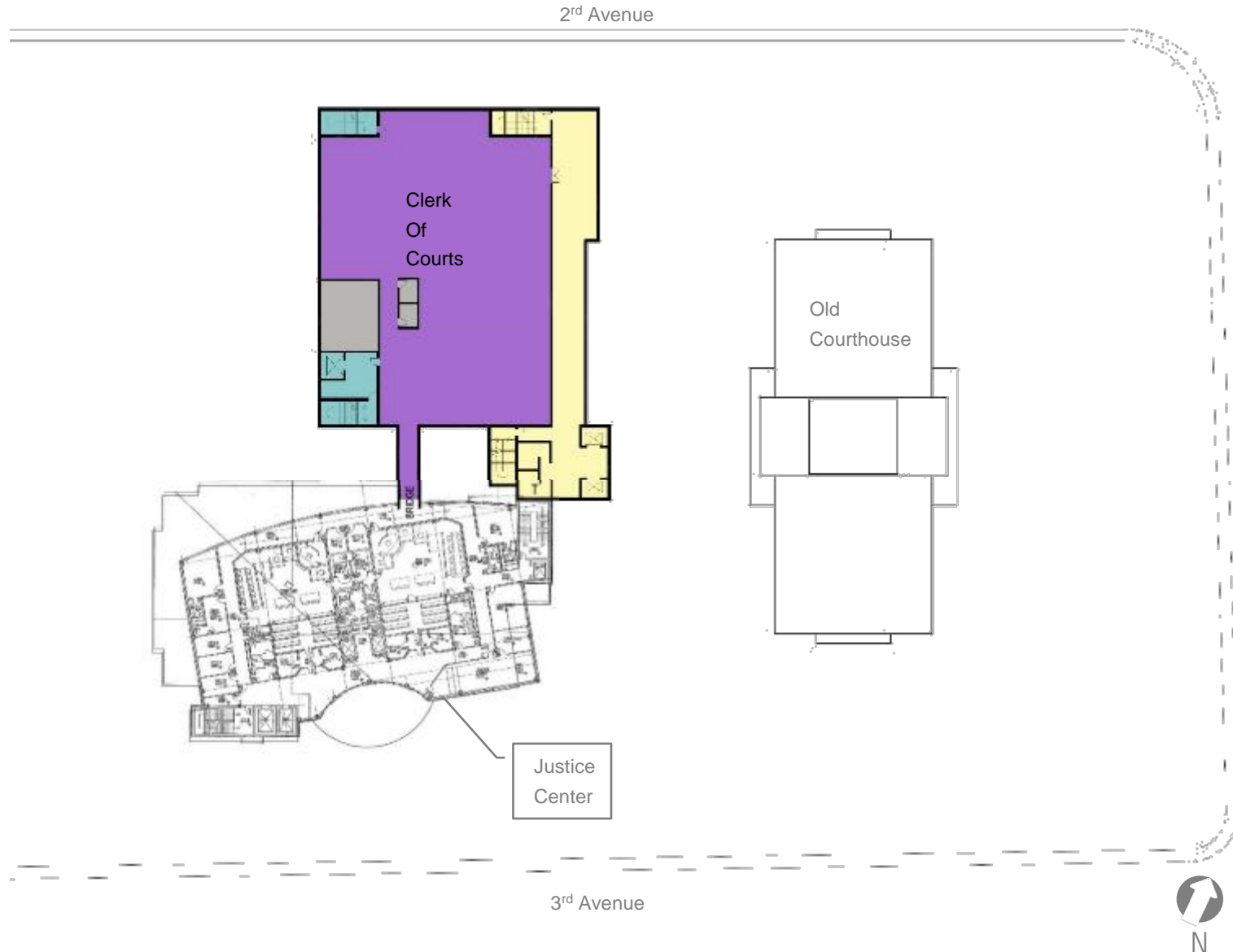


# CONCEPT DESIGN

## Floor Plan Level 3

### Legend

- Building Support
- Clerk of Courts
- Court Administration
- Court Support
- Courts
- Domestic Violence
- State Attorney
- Restricted
- Public
- Secure

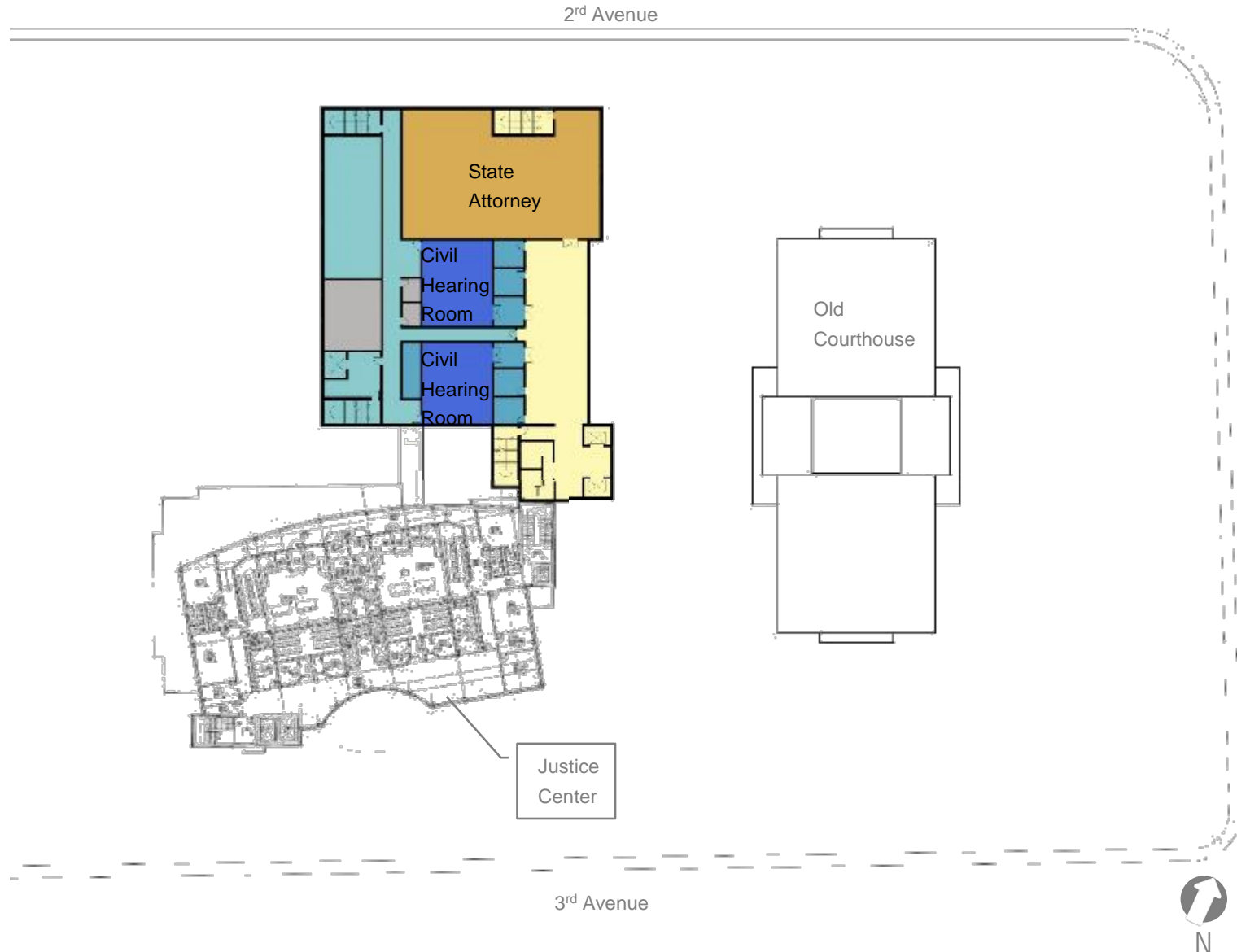


# CONCEPT DESIGN

## Floor Plan Level 4

### Legend

- Building Support
- Clerk of Courts
- Court Administration
- Court Support
- Courts
- Domestic Violence
- State Attorney
- Restricted
- Public
- Secure



N

# CONCEPT DESIGN



# CONCEPT DESIGN





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# ROCK ISLAND COUNTY JUSTICE CENTER EXPANSION

## BOARD PRESENTATION

---

February 16, 2016

# **Exhibit 9**



# Illinois Department of Natural Resources

One Natural Resources Way Springfield, Illinois 62702-1271  
www.dnr.illinois.gov

Bruce Rauner, Governor  
Wayne A. Rosenthal, Director

November 29, 2018

Mr. Mike Harnung  
Missman, Inc.  
1717 State Street, Suite 201  
Bettendorf, IA 52722

Re: Rock Island County Courthouse  
Log #003092716

Dear Mr. Harnung:

The Department of Natural Resources, Illinois State Historic Preservation Office (SHPO) has been advised that either the original project submittal for construction of a new Justice Center Annex (SHPO log number 003092716) failed to identify that the historic courthouse is to be demolished following completion of the new structure or that the original project has changed since the initial project submittal to include the demolition of the historic courthouse. Public statements and various actions taken by the Rock Island County Public Building Commission indicate this demolition is a component of the overall undertaking.

As such, the proposed demolition of the historic courthouse is subject to review under Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.) as a part of the overall undertaking. The letter of compliance issued by SHPO dated October 13, 2016 is hereby revoked. To be in compliance with the Act, please submit the entire project to this office for review and comment. In addition, consultation with the SHPO is required prior to any adverse actions occurring to the historic structure.

I look forward to receiving the complete resubmittal of the project for review. If you have any further questions, please contact me or Anthony Rubano of my staff, for clarification on the requirements.

Sincerely,

Robert F. Appleman PLA  
Deputy State Historic Preservation Officer

cc: Rock Island Public Building Commission  
Rock Island County Board  
Rafael Gutierrez, IDNR Office of Law Enforcement

# **Exhibit 10**



# Illinois Environmental Protection Agency

Page 1 of 3

Bureau of Water • 1021 North Grand Avenue East • P.O. Box 19276 • Springfield • Illinois • 62794-9276

## Division of Water Pollution Control Notice of Intent (NOI) for General Permit to Discharge Storm Water Associated with Construction Site Activities

*This fillable form may be completed online, a copy saved locally, printed and signed before it is submitted to the Permit Section at the above address.*

For Office Use Only

### OWNER INFORMATION

Permit No. ILR10 \_\_\_\_\_

Company/Owner Name: Rock Island County

Mailing Address: 1504 Third Avenue

Phone: (309) 558-3605

City: Rock Island State: IL Zip: 61201

Fax: \_\_\_\_\_

Contact Person: Mr. Richard Brunk

E-mail: rbrunk@co.rock-island.il.us

Owner Type (select one) County

MS4 Community: ☐ Yes ☒ No

### CONTRACTOR INFORMATION

Contractor Name: Valley Construction

Mailing Address: 3610 78th Avenue West

Phone: (309) 787-0292

City: Rock Island State: IL Zip: 61201

Fax: \_\_\_\_\_

### CONSTRUCTION SITE INFORMATION

Select One: ☒ New ☐ Change of information for: ILR10 \_\_\_\_\_

Project Name: Rock Island County Court House Demolition Project

County: Rock Island

Street Address: 210 15th Street City: Rock Island IL Zip: 61201

Latitude: \_\_\_\_\_ Longitude: \_\_\_\_\_  
(Deg) (Min) (Sec) (Deg) (Min) (Sec)

Approximate Construction Start Date Jan 1, 2019 Approximate Construction End Date Jan 1, 2020

Total size of construction site in acres: 1.65

If less than 1 acre, is the site part of a larger common plan of development?

☐ Yes ☐ No

Fee Schedule for Construction Sites:  
Less than 5 acres - \$250  
5 or more acres - \$750

### STORM WATER POLLUTION PREVENTION PLAN (SWPPP)

Has the SWPPP been submitted to the Agency?

☒ Yes ☐ No

(Submit SWPPP electronically to: [epa.constilr10swppp@illinois.gov](mailto:epa.constilr10swppp@illinois.gov))

Location of SWPPP for viewing: Address: On site

City: Rock Island

SWPPP contact information:

Inspector qualifications:

Contact Name: Richard Brunk

Other \_\_\_\_\_

Phone: (309) 558-3605

Fax: \_\_\_\_\_

E-mail: rbrunk@co.rock-island.il.us

Project Inspector, if different from above

Inspector qualifications:

Inspector's Name: Valley Construction

Other \_\_\_\_\_

Phone: (309) 787-0292

Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

**TYPE OF CONSTRUCTION (select one)**Construction Type OtherSIC Code: 1542

Type a detailed description of the project:

The project includes paving and building demolition, fill placement, and earthwork activities which include excavation and grading.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**HISTORIC PRESERVATION AND ENDANGERED SPECIES COMPLIANCE**

Has the project been submitted to the following state agencies to satisfy applicable requirements for compliance with Illinois law on:

Historic Preservation Agency ☒ Yes ☐ No

Endangered Species ☒ Yes ☐ No

**RECEIVING WATER INFORMATION**

Does your storm water discharge directly to: ☐ Waters of the State or ☒ Storm Sewer

Owner of storm sewer system: City of Rock Island

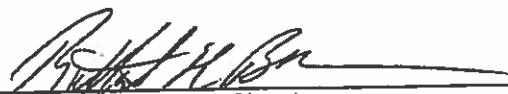
Name of closest receiving water body to which you discharge: Mississippi River

Mail completed form to: Illinois Environmental Protection Agency  
 Division of Water Pollution Control  
 Attn: Permit Section  
 Post Office Box 19276  
 Springfield, Illinois 62794-9276  
 or call (217) 782-0610  
 FAX: (217) 782-9891

Or submit electronically to: [epa.constit10swppp@illinois.gov](mailto:epa.constit10swppp@illinois.gov)

I certify under penalty of law that this document and all attachments were prepared under my direction and supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage this system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment. In addition, I certify that the provisions of the permit, including the development and implementation of a storm water pollution prevention plan and a monitoring program plan, will be complied with.

*Any person who knowingly makes a false, fictitious, or fraudulent material statement, orally or in writing, to the Illinois EPA commits a Class 4 felony. A second or subsequent offense after conviction is a Class 3 felony. (415 ILCS 5/44(h))*



Owner Signature:

Mr. Richard Brunk

Printed Name:



Date:

County Board Chairman

Title:

# **Exhibit 11**



## Illinois Department of Natural Resources

One Natural Resources Way Springfield, Illinois 62702-1271  
www.dnr.illinois.gov

Bruce Rauner, Governor  
Wayne A. Rosenthal, Director

FAX (217) 524-7525

Rock Island County  
Rock Island

Demolition and Partial Demolition for New Addition and Parking Lot, Rock Island County Justice Center  
and Demolition of the Rock Island County Courthouse

1317 3rd Ave., 210 15th St., South side of 3rd Ave. from 302 15th St. to 13th St.

SHPO Log #003092716

December 11, 2018

Michael Harnung  
IMEG Corp.  
1717 State St., Suite 201  
Bettendorf, IA 52722

Dear Mr. Harnung:

Thank you for the additional information we received on December 10, 2018 regarding the undertaking involving the Rock Island County Courthouse. Our comments are required by Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. Seq.) (Act).

We have reviewed the additional documentation provided for the proposed undertaking. This office determined the existing Rock Island County Courthouse eligible for listing on the National Register of Historic Places (NRHP) on November 9, 2017. The proposal to demolish this historic building constitutes an adverse effect as defined in the aforementioned Act.

At this time, you should work with this office to develop a plan to avoid this adverse effect. Please note that as stated in our letter of November 29, 2018, consultation with the State Historic Preservation Office is required prior to any adverse actions occurring to the historic structure. This includes asbestos abatement and/or remediation, which, according to newspaper articles, has been scheduled to begin on December 13, 2018.

If you have any further questions, please contact me or Anthony Rubano of my staff.

If you have any questions, please call 217/782-4836.

Sincerely,

Robert F. Appleman  
Deputy State Historic  
Preservation Officer

# **Exhibit 12**

LAW OFFICES OF  
**STENGEL, BAILEY & ROBERTSON**

100 SEVENTEENTH STREET  
SUITE 405  
ROCK ISLAND, ILLINOIS 61201-8751

WILLIAM STENGEL  
KATHLEEN BAILEY  
DONOVAN S. ROBERTSON  
JEAN M. FRIEMEL  
SARAH L. GORHAM

AREA CODE 309  
TELEPHONE 788-0471  
FACSIMILE 788-0480

ALL ATTORNEYS ADMITTED TO PRACTICE  
IN IOWA AND ILLINOIS

December 13, 2018

***Sent via facsimile only to: 217-524-7525***

Anthony Rubano  
Illinois Department of Natural Resources  
One Natural Resources Way  
Springfield, Illinois 62702-1271

***RE: Italo Milani v. Rock Island County Public Building Commission and The Rock Island County Board of Supervisors, No. 18 MR 782***

Dear Mr. Rubano:

We represent the Rock Island County Public Building Commission and respond to the December 11, 2018 letter from Robert Appleman, Deputy State Historic Preservation Officer.

Our efforts to reach you by phone at the number given in the letter have been unsuccessful.

Please be advised the building intended to be demolished is NOT a state owned historic resource, is not a building that is "under the direct or indirect jurisdiction of a state agency or licensed or assisted by a state agency." The demolition is not an "undertaking by a state agency." The building intended to be demolished is now vacant, being the former Rock Island County Courthouse. The newly constructed County Courthouse is immediately adjacent to the building intended to be demolished.

It is our opinion the prohibition against demolition and asbestos abatement stated in the December 11, 2017 letter is not controlling for a number of reasons. The control of the Courthouse is a judicial function and not subject to the executive demands of the Department of Natural Resources. Any such efforts by the Department of Natural Resources to control or prohibit the demolition is a violation of the constitutional separation of powers.

Suit is pending as *Italo Milani v. Rock Island County Public Building Commission and The Rock Island County Board of Supervisors, No. 18 MR 782*, transferred to Mercer County, to be heard by the resident Judge of that County. The Plaintiff in that case is seeking an injunction to

Page 2  
Rubano Letter  
December 13, 2018

prohibit demolition. A hearing is scheduled for 9:00 A.M. December 14, 2018 at the Mercer County Courthouse in Aledo, Illinois. We will be asking the Judge at that time to set a future hearing date for a public hearing to allow your Department to present evidence and arguments why the demands of the December 11, 2018 letter should be followed. We will argue your Department has no standing in any way to control, or prohibit asbestos abatement and demolition.

Time is of the essence as bids from responsible contractors have been accepted for asbestos abatement and demolition. Asbestos abatement is intended to commence within 10 days of this letter, with demolition to follow. Substantial cost reductions have been achieved in the construction management of the asbestos abatement and demolition as the construction manager for the new courthouse is still on site and has agreed to remain to supervise abatement and demolition. Any delay will likely result in substantial additional costs as the construction manager will otherwise complete the contractual undertaking, and will not be available thereafter resulting in the re-mobilization of a new construction manager at a substantial expense.

You are invited to attend the hearing tomorrow in Aledo. Recognizing this short notice, I will attempt to call you tomorrow to coordinate your availability as we will be asking the Judge to set the public hearing in a very near future.

The phone number we have to reach you is 217-782-4836, if you have a direct line please advise at your earliest convenience.

Sincerely,



William Stengel

WS/mp

cc: Italo Milani (lomilani@milanipc.com)  
Rock Island County State's Attorney John McGehee (mcgeheej@co.rock-island.il.us)  
Judge James Conway (jconway@co.rock-island.il.us)

IN THE CIRCUIT COURT OF THE FOURTEENTH JUDICIAL CIRCUIT  
ROCK ISLAND COUNTY, ILLINOIS  
GENERAL DIVISION

ITALO MILANI,	)	
	)	
Plaintiff,	)	
	)	
v.	)	NO. 18 MR 782
	)	
ROCK ISLAND COUNTY PUBLIC	)	
BUILDING COMMISSION and THE	)	
ROCK ISLAND COUNTY BOARD	)	
OF SUPERVISORS,	)	
	)	
Defendants.	)	

RESPONSE IN OPPOSITION TO MOTION TO AMEND COMPLAINT

Comes Now the Rock Island County Public Building Commission as Defendant by attorneys, Stengel, Bailey & Robertson and states in opposition to Plaintiff's Motion to Amend Complaint as follows:

Plaintiff is seeking a remedy that is not available via equitable injunctive relief, or as a declaratory injunction.

Plaintiff is seeking to enjoin a public body. The Rock Island County Public Building Commission is a public entity authorized by statute and the Rock Island County Board resolution and as such is afforded the protection of the separation of powers enumerated in the Constitution of the State of Illinois.

The pleading sought to be amended is defective as well as the proposed amendment.

The Supreme Court Act, also referred to as 705 ILCS 5/01, et seq. provides at 5/8 the authority of the Supreme Court to grant relief by mandamus. This judicial authority allows matters to be plead in accord with 735 ILCS 5/14-101, and not as injunctive relief or a declaratory relief.

Plaintiff fails in all regards to plead a known cause of action against either the Rock Island County Public Building Commission or any individual member, and as such the Motion to Amend should be denied, as should the complaint for declaratory relief.

Rock Island County Public  
Building Commission, Defendant

By: /s/ William Stengel  
William Stengel, Attorney for Rock Island  
County Public Building Commission

Stengel, Bailey & Robertson  
100 17<sup>th</sup> Street, Suite 405  
Rock Island, Illinois 61201  
Telephone: 309-788-0471  
Facsimile: 309-788-0480  
Email: sbrlaw@sbrlawfirm.law

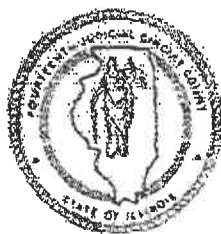
**CERTIFICATE OF SERVICE**

The undersigned certifies that the foregoing instrument was served upon all parties to the above cause to each of the attorneys of record herein at their respective addresses disclosed on the pleadings on

December 13, 2018

By: ☐ U. S. Mail      ☐ FAX      ☒ EMAIL  
☐ Hand Delivered      ☐ Overnight Courier      ☒ EFILING  
☐ Certified Mail      ☐ Other      ☐ EDMS

Signature: /s/ Marv Pfannenstiel



**Walter D. Braud**  
Chief Judge

**Victoria A. Bluedorn**  
Trial Court Administrator

Office of the Chief Judge  
14<sup>th</sup> Judicial Circuit  
State of Illinois

210 15<sup>th</sup> Street, Room 408  
Rock Island, Illinois 61201

Telephone: (309) 558-3906  
(309) 558-3289

Fax: (309) 558-3263

E-mail: [wbraud@co.rock-island.il.us](mailto:wbraud@co.rock-island.il.us)  
[vbluedorn@co.rock-island.il.us](mailto:vbluedorn@co.rock-island.il.us)

## MEMORANDUM

**From:** Chief Judge Walter D. Braud

**To:** Brent Ganahl, PBC Chairman; All PBC Members; Ken "Moose" Maranda; County Administrator, Jim Snider; Attorney William Stengel; States Attorney John McGehee; Circuit Clerk Tammy R. Weikert; Sheriff Bustos; Judge Vandewiele; Judge Fuhr; Court Administrator Vicki Bluedorn.

**Re:** Attached Declaratory Judgement Complaint

**Date:** October 15, 2018

The attached PDF is a copy of the Complaint filed *pro se* by Italo (Lo) Milani. Lo is well known to all of us and is a nearly retired local architect. His Complaint is so deficient that it precludes any present action. It does not name individual Board members, there is no summons attached (the Sheriff will have to serve summons on all named Defendants in order to move forward), and so no one is a Defendant. Even as to the PBC and Rock Island Board of Supervisors, there are no summons requested. There is no claim for damages, in other words Lo Milani is not seeking money from anyone. He is simply asking the Court to take it upon itself to Declare that the County Courthouse cannot be razed using surplus Bond funds. The Court cannot answer this question on its own. There has to be proper legal service on named Defendants, who can then move to dismiss the lawsuit or answer it. There is no Bond attached to the Complaint; a requirement.

I have purposefully sent a copy to PBC legal counsel, William Stengel. If anyone is served with a summons they should notify counsel immediately. If it is a PBC Board Member, notify William Stengel. If it is a Member of the Board of Supervisors, notify States Attorney John McGehee.

Memo by Judge Braud

Page 2

The County Board is self-insured, and the States Attorney can protect the interests of all County Board Supervisors and employees.

The PBC has insurance for its Board Members, and Attorney Stengel, who was chosen for this position because he has a long career in construction and bonding issues, can determine when or if insurance counsel needs to be put on notice.

Should anyone have a question call me.

WDB/sll

Attachment: 1

A handwritten signature in dark ink, appearing to be 'WDB/sll', written in a cursive style.

**COPY**

IN THE CIRCUIT COURT OF THE FOURTEENTH JUDICIAL CIRCUIT  
 ROCK ISLAND COUNTY, ILLINOIS

FILED  
 10/11/2018 11:37 AM  
 TAMMY WEIKERT, CIRCUIT CLERK  
 ROCK ISLAND COUNTY, IL

[Type here]

**2018MR782**

ITALO MILANI )

Plaintiff )

Vs )

ROCK ISLAND COUNTY PUBLIC BUILDING )

COMMISSION and THE ROCK ISLAND )

COUNTY BOARD OF SUPERVISORS, )

Defendants. )

**DECLARATORY JUDGEMENT COMPLAINT**

201

NOW COMES Italo Milani and for his Declaratory Judgement Complaint states as follows:

1. This complaint is brought by a resident of Rock Island County in good standing to be a Plaintiff to file the Complaint and pursue this litigation.
2. It is our opinion that nothing in the broad enabling statutes, or any of the public actions and undertakings over the years authorizes PBC action to approve the use of surplus bond funds to demolish the existing Rock Island County Courthouse. The Project was to build a good and sufficient jail, and that persists as the threshold for use of any surplus bond funds. There is no reasonable argument made, or even an unreasonable argument made, that the demolition of the historic courthouse has ever been the subject of a referendum of county voters. In point of fact, the past referendum for building a new courthouse was rejected by the electorate, and implicit in that outcome was voter say on the adequacy of the historic courthouse.

WHEREFORE, Italo Milani, Plaintiff, hereby prays this Court enter a Declaratory Judgement interpreting the terms of the Bond Issue and applicable law, and issuing an opinion declaring the legal use of surplus funds.



ITALO MILANI, Plaintiff

2801 12<sup>th</sup> Avenue

Rock Island, IL 61201

[imilani@milanipc.com](mailto:imilani@milanipc.com)

309-788-5304

# **Exhibit 13**



**Walter D. Braud**  
Chief Judge

**Victoria A. Bluedorn**  
Trial Court Administrator

Office of the Chief Judge  
14<sup>th</sup> Judicial Circuit  
State of Illinois

210 15<sup>th</sup> Street, Room 408  
Rock Island, Illinois 61201

Telephone: (309) 558-3906  
(309) 558-3289

Fax: (309) 558-3263

E-mail: [wbraud@co.rock-island.il.us](mailto:wbraud@co.rock-island.il.us)  
[vbluedorn@co.rock-island.il.us](mailto:vbluedorn@co.rock-island.il.us)

## MEMORANDUM

**From:** Chief Judge Walter D. Braud  
**To:** City of Rock Island Aldermen  
**Date:** January 29, 2019

---

I left hard copies of the **Administrative Order** for Demolition of the Courthouse. The Mayor's secretary placed them in your mailboxes. I attached all of the **Exhibits** for easy reference. The original was delivered to Mayor Thoms with copies to City Attorney David Morrison and the City Manager.

Attached is a cover letter sent to the Mayor explaining the issues at hand, and a copy of your Demolition Permit Process document which explains the only lawful circumstances under which you can deny the County a permit for demolition.

Thank you

WDB/sll

Attachments: 2



**Walter D. Braud**  
Chief Judge

**Victoria A. Bluedorn**  
Trial Court Administrator

**Office of the Chief Judge  
14<sup>th</sup> Judicial Circuit  
State of Illinois**

210 15<sup>th</sup> Street, Room 408  
Rock Island, Illinois 61201

Telephone: (309) 558-3906  
(309) 558-3289

Fax: (309) 558-3263

E-mail: [wbraud@co.rock-island.il.us](mailto:wbraud@co.rock-island.il.us)  
[vbluedorn@co.rock-island.il.us](mailto:vbluedorn@co.rock-island.il.us)

January 29, 2019

Rock Island Mayor Mike Thoms

Mike:

Thanks for the pleasant meeting yesterday. From your comments in the paper I am encouraged that we can avoid a bad result for everyone. I am leaving a hard copy of the Administrative Order and all of the attachments for you, all Aldermen, City Attorney and the City Manager. I think it will be easier for everyone to get their arms around the issues.

When we did our research we anticipate that it may go to a higher Court, i.e., the Appellate or Supreme Court. So we don't put things out unless we know that we will sustain our position. There are three areas of possible disagreement:

- 1) Whether a city can deny a demolition permit unless the EPA issues an Approval permit? **No.**
- 1) Whether a city can deny a demolition permit to the county unless DNR issues an approval permit? **No.**
- 2) Whether a city can deny a demolition permit for any reasons other than those included in their regulations, and here I refer to those requirements set forth in your Demolition Permit Process, Steps 1 and 2? **No.** I am attaching a copy of your Demolition Permit Process

I will be in contact with you Friday or next week, due to weather.

Thank you again for your sincere effort to explore the issues and arrive at an agreement if possible.

Walter D. Braud  
Chief Judge

WDB/sll  
Attachment  
CC: City Attorney



## **Demolition Permit Process**

### **Step 1.**

1. Ensure the following items are addressed as applicable required documentation are available to submit with permit application:
  - o Disconnect electric and gas service contact MidAmerican Energy Company. For this service call (888) 427-5632.
  - o Submit copies of plat of survey that show well, septic tank and fuel tank on the plat if applicable.
  - o Seal well if installed and Submit (1) copy of a well capping report by a certified well driller.
  - o Abandon septic tank. Call Rock Island County Health Department for inspection at (309) 558-2840 .
  - o Remove fuel oil tanks. Submit (1) copy of a permit from the Office of the State Fire Marshal and Rock Island Fire Department to witness.
  - o Submit (1) Copy of IDOT permit is required for work on state roads right-of-way.
  - o Request final water meter reading and meter removal. For this service call City of Rock Island Finance Department at 732-2000.
  - o Disconnect and terminate water service and cap sewer service. Call Inspection Division at 732-2910 to schedule an inspection.
  - o All General contractors demolishing a structure utilizing federal, state or city monies must file 10 day notice with the State of Illinois 'ENVIRONMENTAL PROTECTION AGENCY' confirming that asbestos has been abated before demolition may commence.

The following steps must be taken in this order to satisfy City of Rock Island and EPA Requirements:

- (1) Test for Asbestos  
(Even if no Asbestos is found 10 Day Notice must still be submitted)
- (2) Abate Asbestos
- (3) Complete 10 Day Notification of Demolition and Renovation Form and submit to EPA

### **Step 2.**

**After completing step 1 you will be issued a BUILDING DEMOLITION PERMIT.**

After demolition and restoration is complete Call Rock Island City Inspections Division at (309-732-2910) for Final Demolition Inspection.