

# UNION COUNTY GOVERNMENT

## General

The County of Union is located in southern Illinois, approximately 145 miles southeast of Saint Louis, Missouri and 350 miles south of the City of Chicago. Union County is primarily rural. The County encompasses a land area of approximately 416 square miles. The County has an economic base that includes government, farming, retail trade and service industries. The City of Jonesboro is the County Seat and the City of Anna is the largest municipality in the County.

The County is intersected by Interstate Highways 57, Illinois Route 127, and United States Route 51, all of which provide north and south access. Interstate Highway 57 connects with Chicago approximately 350 miles northeast of the County. Illinois State Route 146 provides east and west access.

Air transportation is provided by Williamson County Regional Airport, approximately 20 miles for most County residents. The Williamson County Regional Airport is a public airport having 24-hour/7-day weekly line service from two commercial carriers. The longest runway is 6,500 feet.

## Government

The County is governed by a five (5) member Board of Commissioners (the "County Board"), whose members are elected for six year staggered terms. The County Chairman is elected by the County Board members and is the Presiding Officer of the County Board. The County Board employs a County Administrator and Chief Information Officer. Elected County officials include the County Clerk and Recorder, Treasurer and Ex-Officio Collector, State's Attorney, Circuit Clerk, Circuit Judges, Coroner, Sheriff and the Regional Superintendent of Education.

The County currently has approximately 83 full-time employees, of which 59 are unionized. The County also has 21 part-time non-unionized employees. The unions that represent the County employees and the expiration dates of their respective collective bargaining agreements are as follows:

<u>Union</u>	<u>Members</u>	<u>Contract Expiration</u>
Laborers Local 773	19	11/30/2017
IFOP - Sheriff <sup>(1)</sup>	18	11/30/2018
Operators Local 318	12	11/30/2018
IAFF 4857 – Ambulance <sup>(2)</sup>	12	11/30/2017

(1) "IFOP" – Illinois Fraternal Order of Police.

(2) "IAFF" – International Association of Fire Fighters.

## **COMMUNITY SERVICES**

### Utilities

Natural gas is provided by AMEREN, Cairo Public Utilities and distributed by municipal gas distribution systems. Electricity is provided by AMEREN/Central Illinois Public Service Co and the Southern Illinois Electric Cooperative.

### Water and Sewer Services

The water for the County is provided by municipally owned water systems and several water districts. Sewer collection and treatment is provided by municipally owned sewer systems and by septic systems in unincorporated areas of the County.

### Telephone

Telecommunications services are provided by Frontier. Long distance service is provided by Sprint and AT&T.

### Public Safety

Fire prevention and safety are provided by municipally owned fire departments. Staffing is totally comprised of full-time and part-time employees and part-time volunteers. Police protection is provided by the County Sheriff's Department and municipal police departments.

### Medical Services

Acute health care services are provided by Union County Hospital, Anna, Illinois. Regional medical centers are located within 50 miles in Carbondale and Marion, Illinois, Cape Girardeau, Missouri, and Paducah, Kentucky.

### Education

The public school system within the County is operated under the administration and control of the Regional Office of Education #02, which supports services for 19 school districts in Alexander, Johnson, Massac, Pulaski, and Union Counties. Within the County there are 13 Public Schools - 9 elementary and 4 high schools. There is one community college located in the County - Shawnee Community College, Village of Ullin. Southern Illinois University is located in Carbondale, Illinois and is approximately 20 miles northwest of the County.

<b>SOCIO-ECONOMIC INFORMATION</b>
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<b>Population Trend</b>
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	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2014</b>
Union County	17,619	18,293	17,808	17,447
City of Anna	4,805	5,136	4,442	4,321
City of Jonesboro	1,728	1,853	1,821	1,768
State of Illinois	11,430,602	12,419,293	12,830,632	12,880,580

<b>Median Home Value</b>
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	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2014</b>
Union County	36,700	59,900	89,700	87,500
City of Anna	37,700	57,300	74,700	71,200
City of Jonesboro	36,600	54,400	83,900	83,300
State of Illinois	80,900	130,800	190,800	182,300

<b>Median Family Income</b>
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Union County	24,875	37,710	52,628	41,848
City of Anna	21,550	30,912	44,257	38,258
City of Jonesboro	24,932	40,066	40,625	36,304
State of Illinois	38,664	55,545	70,144	56,797

<b>Average Annual Unemployment Rates</b>
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<b>Calendar Year</b>	<b>Union County</b>	<b>State of Illinois</b>
2009	11.0%	10.0%
2010	12.1%	10.4%
2011	11.4%	9.7%
2012	11.0%	8.9%
2013	11.4%	9.2%
2014	12.6%	9.2%
2015	6.7%	6.0%
2016	7.4%	5.6%

<b>Largest Area Employers</b>
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<b>Employer</b>	<b>Service or Product</b>	<b>Approximate Number of Employees</b>
Illinois Dept of Human Services; Choate Mental Health	Psychiatric Hospital	670
Ensign-Bickford Industries, Inc.	Aerospace Technolgh	250
Wal-Mart Stores, Inc.	Department Store Retailer	200
Anna Hospital Corporation	Hospital	180
Shawnee CUSD #84	Educational Servcies	139
Anna CCSD #37	Educational Servcies	1212
County of Union	Government	106
Kroger Co.	Retailer - Groceries	100
Rehabilitation and Vocational Education Program, Inc.	Health Care/Social Services	99
Illinois Dept. of Transportation	Public Transportation	98

## DEBT INFORMATION

<b>Statement of Long-Term Bonded Indebtedness</b> <b>As of June 30, 2016</b>
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	<b>Amount</b>	<b>Per Capita Population 2014 - (17,447)</b>	<b>% of EAV</b>	<b>Estimated True Value</b>
Equalized Assesed Valuation, 2015	191,853,383	10,996.35	100%	33.33%
Estimated Fair Cash Value	575,560,149	32,989.06	300%	100.00%
Direct General Obligation Bonded Debt	15,345,000	879.52	8.00%	2.67%
Less: Self-Supporting Debt	(13,425,000)	(769.47)	-7.00%	-2.33%
Total Direct General Obligation Debt	1,920,000	110.05	1.00%	0.33%
Total Overlapping Bonded Debt	8,842,193	506.80	4.61%	1.54%
Total Direct & Overlapping Debt	10,762,193	616.85	5.61%	1.87%

\* Pursuant to the provisions of the Debt Reform Act, alternate bonds do not count against the County's overall 2.875% of EAV statutory debt limitation unless the County fails to abate the property tax levies made for the payments therein.

\*\* Under applicable law, self-insurance bonds generally do not count against the County's debt limit. However, since the issuance of the prior bonds as alternate bonds, the County has levied taxes to pay the principal and interest on the prior bonds. The prior bonds are characterized as debt for the purposes of the County's legal debt limit. Although this may be a default under the County's bond ordinance covenants for the prior bonds, it is not a payment default. The bonds will be general obligation refunding limited bonds and thus count against the County's debt limit.

*Source: Union County Clerk's Office*

<b>Legal Debt Margin as of June 30, 2016</b>
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2015 Equalized Assessed Valuation (EAV)	\$ 191,853,383
Statutory Debt Limitation (2.875% of EAV)	5,515,785
General Obligation Debt Applicable to Limitation:	
Taxable General Obligation Bonds (ARS), Series 2010A (RZEDB (Direct Payment))	1,070,000
Taxable General Obligation Bonds (ARS), Series 2010B (BABS (Direct Payment))	12,355,000
Non-Taxable General Obligation Bonds, (ARS) Series 2014	<u>1,920,000</u>
Total Direct General Obligation Bonded Debt	\$ 15,345,000
Less: Self-Supporting Debt	(13,425,000)
Total Net Direct Debt	1,920,000
Available Legal Debt Margin	<u><u>\$ 3,595,785</u></u>

\* Pursuant to the provisions of the Debt Reform Act, alternate bonds do not count against the County's overall 2.875% of EAV statutory debt limitation unless the County fails to abate the property tax levies made for the payments therein.

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*Source: Union County Bond Ordinances and Illinois Compiled Statutes*

**Detailed Overlapping Bonded Debt**  
**As of June 30, 2016**

Taxing Body	Outstanding Debt - 2012	Applicable to County	
		Percent	Amount
Anna CUSD #37	\$ 465,000	100.00%	\$ 465,000
Cobden CUSD #17	2,565,000	99.00%	2,539,350
Dongola CUSD #66	355,000	100.00%	355,000
Anna -Jonesboro CHSD #81	2,205,000	99.98%	2,204,559
Jonesboro CCSD #43	670,000	99.92%	669,464
Shawnee CUSD #84	1,580,000	7.10%	112,180
Vienna H.S. Dist #13-3	430,000	3.00%	12,900
Shawnee Comm College #531	7,625,000	31.60%	2,409,500
Goreville CUSD #1	4,640,000	1.60%	74,240
<b>Total Overlapping Debt</b>	<b><u>\$ 20,535,000</u></b>		<b><u>\$8,842,193</u></b>

\* Excludes principal amounts of outstanding self-supporting bonds that are paid from sources other than ad valorem taxes.

*Source: Union County Clerk's Office*

Union County Government  
Schedule of Future Bonded Indebtedness  
as of June 30, 2016

Fiscal Year Ending 11/30	Series 2010 A Dated: 9/29/2010 Issue: \$1,070,000 Maturity: 9/1/2042		Series 2010 B Dated: 9/29/2010 Issue: \$12,635,000 Maturity: 9/1/2041		Series 2014 Dated: 2014 Issue: \$2,040,000 Maturity: 12/1/2033		Total Principal	Total Interest	Total Principal and Interest	Principal Outstanding	% Paid
	Principal	Interest	Principal	Interest	Principal	Interest					
2016	-	79,715	285,000	529,594	140,000	61,528	425,000	670,837	1,095,837	14,920,000	2.77%
2017	-	79,715	295,000	522,740	145,000	58,728	440,000	661,183	1,101,183	14,480,000	2.87%
2018	-	79,715	300,000	514,495	145,000	55,828	445,000	650,038	1,095,038	14,035,000	2.90%
2019	-	79,715	310,000	505,622	150,000	52,928	460,000	638,265	1,098,265	13,575,000	3.00%
2020	-	79,715	320,000	495,950	155,000	49,178	475,000	624,843	1,099,843	13,100,000	3.10%
2021	-	79,715	330,000	485,550	160,000	45,303	490,000	610,568	1,100,568	12,610,000	3.19%
2022	-	79,715	345,000	474,396	165,000	39,703	510,000	593,814	1,103,814	12,100,000	3.32%
2023	-	79,715	355,000	462,287	170,000	33,928	525,000	575,930	1,100,930	11,575,000	3.42%
2024	-	79,715	370,000	449,365	175,000	27,808	545,000	556,888	1,101,888	11,030,000	3.55%
2025	-	79,715	390,000	435,416	185,000	21,070	575,000	536,201	1,111,201	10,455,000	3.75%
2026	-	79,715	400,000	420,206	190,000	13,670	590,000	513,591	1,103,591	9,865,000	3.84%
2027	-	79,715	420,000	404,086	140,000	5,880	560,000	489,681	1,049,681	9,305,000	3.65%
2028	-	79,715	440,000	385,249	-	-	440,000	464,964	904,964	8,865,000	2.87%
2029	-	79,715	460,000	365,515	-	-	460,000	445,230	905,230	8,405,000	3.00%
2030	-	79,715	485,000	344,884	-	-	485,000	424,599	909,599	7,920,000	3.16%
2031	-	79,715	505,000	323,131	-	-	505,000	402,846	907,846	7,415,000	3.29%
2032	-	79,715	530,000	299,335	-	-	530,000	379,050	909,050	6,885,000	3.45%
2033	-	79,715	555,000	274,357	-	-	555,000	354,072	909,072	6,330,000	3.62%
2034	-	79,715	585,000	248,203	-	-	585,000	327,918	912,918	5,745,000	3.81%
2035	-	79,715	610,000	220,634	-	-	610,000	300,349	910,349	5,135,000	3.98%
2036	-	79,715	645,000	191,888	-	-	645,000	271,603	916,603	4,490,000	4.20%
2037	-	79,715	675,000	161,493	-	-	675,000	241,208	916,208	3,815,000	4.40%
2038	-	79,715	710,000	129,683	-	-	710,000	209,398	919,398	3,105,000	4.63%
2039	-	79,715	745,000	96,224	-	-	745,000	175,939	920,939	2,360,000	4.86%
2040	-	79,715	790,000	61,116	-	-	790,000	140,831	930,831	1,570,000	5.15%
2041	215,000	79,715	500,000	23,888	-	-	715,000	103,603	818,603	855,000	4.66%
2042	855,000	63,697	-	-	-	-	855,000	63,697	918,697	-	5.57%
<b>Total</b>	<b>\$ 1,070,000</b>	<b>\$ 2,136,287</b>	<b>\$ 12,355,000</b>	<b>\$ 8,825,307</b>	<b>\$ 1,920,000</b>	<b>\$ 465,552</b>	<b>\$ 15,345,000</b>	<b>\$ 11,427,146</b>	<b>\$ 26,772,146</b>		

**FUTURE FINANCING**

The County does not contemplate issuing any additional debt within the next six months.

**HISTORY OF DEBT PAYMENT**

The County has always promptly paid principal and interest on its debt obligations.

## **PROPERTY ASSESSMENT AND TAX INFORMATION**

### **Assessment**

The Supervisor of Assessments is responsible for the assessment of all taxable real property within the township except for certain railroad property and certified pollution control facilities, which are assessed directly by the State. Real property is reassessed every fourth year. After the Supervisor of Assessments establishes the fair market value of a parcel of land, that value is multiplied by 33-1/3% to arrive at the assessed valuation ("Assessed Valuation") for that parcel. The Supervisor of Assessments may revise the Assessed Valuation pursuant to requests of taxpayers. Taxpayers can also formally petition for review of their assessments by the Union County Board of Review. In addition, limited judicial review of assessments is available during the tax collection process, when the Union County Collector presents the Warrant Books (defined below) to the Circuit Court for judgment, or by appeal to the State Property Tax Appeal Board.

### **Equalization**

After the Supervisor of Assessments has established the Assessed Valuation for each parcel for a given year and multipliers have been established, and following the Union County Board of Review revisions, the Illinois Department of Revenue (the "Revenue Department") is required by statute to review the Assessed Valuations. The Revenue Department establishes an equalization factor (commonly called the "multiplier") for each county, to make all valuations uniform among the 102 counties in the State. For real property in the County, assessments are equalized at 33-1/3% of estimated fair market value.

Once the equalization factor is established, the Assessed Valuations determined by the Supervisor of Assessments, as revised by the County Board of Review, less all Homestead Exemptions, are multiplied by the equalization factor to determine the Equalized Assessed Valuations. The Equalized Assessed Valuations are the final property valuations used for determination of tax liability. The aggregate Equalized Assessed Valuation for all parcels in the County, including the valuation of certain railroad property and certified pollution control facilities assessed directly by the State and the valuation of farmland assessed under the direction of the State, constitutes the total real estate tax base for the County, and is the value utilized to calculate tax rates.

### **Illinois Equalized Assessed Valuation 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 up to \$5,000 for assessment years 2004 through 2007 in all counties. Additionally, the maximum reduction is \$5,500 for assessment year 2008 and the maximum reduction is \$6,000 for assessment year 2009 and thereafter in all counties.

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

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

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

Another exemption available to disabled veterans operates annually to exempt up to \$70,000 of the 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, beginning with assessment year 2007, the Disabled Persons' Homestead Exemption provides an annual homestead exemption in the amount of \$2,000 for property that is owned and occupied by certain persons with a disability. However, individuals claiming exemption as a disabled veteran or claiming exemption under the Disabled Veterans Standard Homestead Exemption cannot claim the aforementioned exemption.

In addition, the Disabled Veterans Standard Homestead Exemption provides disabled veterans an annual homestead exemption starting with assessment year 2007 and thereafter. Specifically, (i) those veterans with a service-connected disability of 70% are granted an exemption of \$5,000 and (ii) 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.

### **Tax Levy**

As part of the annual budget process of the County, an ordinance is adopted by the County Board each year in which it determines to levy real estate taxes. This tax levy ordinance imposes real estate taxes in terms of a dollar amount. The County certifies its real estate tax levy, as established by ordinance, to the County Clerk's Office. The remaining administration and collection of the real estate taxes are statutorily assigned to the County Clerk and the Union County Treasurer (the "County Treasurer") who also serves as the Union County Collector (the "County Collector"). After the County files its annual tax levy, the County Clerk computes the annual tax rate for the County. This computation is made by dividing the County levy by its Equalized Assessed Valuation. Starting with tax extensions in 1992, the County Clerk calculates a limiting rate for the County in accordance with the Property Tax Limitation Law. The limiting rate is the mechanism for implementing the tax extension limitation or cap of 5% or the percentage increase in the Consumer Price Index, whichever is less, or the amount approved by referendum, on the amount of taxes to be collected by the County. Once calculated, the limiting rate is compared with the sum of the tax rates of the County's funds, which are subject to the aforementioned limitation. If the sum of the tax rates exceeds the limiting rate, an adjustment must be made. The County Clerk will not extend a levy using an aggregate tax rate greater than the limiting rate.

Once the necessary adjustments to the tax rates are made, the County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all of the taxing units having jurisdiction over that particular parcel. The County Clerk enters the tax determined by multiplying that total tax rate by the Equalized Assessed Valuation of the parcel in the books prepared for the County Collector (the "Warrant Books") along with the tax rates, the Assessed Valuation and the Equalized Assessed Valuation. These books are the County Collector's authority for the collection of taxes and are used by the County Collector as the basis for issuing tax bills to all property owners.

### **Collection**

Property taxes are collected by the County Collector, who is also the County Treasurer, who remits to the County its share of the collections. Taxes levied in one calendar year become payable during the following calendar year in two equal installments, the first on the later of June 1 or 30 days

after the mailing of the tax bills and the second on the later of September 1 or 60 days after such mailing. During the peak collection months of June and September, tax receipts are forwarded to the County on a semi-monthly basis. At other times, they are distributed on or about the first of the month.

At the end of each calendar year, the County Collector presents the Warrant Books to the Circuit Court, and applies for a judgment for all unpaid taxes. The Court order resulting from that application for judgment provides for a sale of all property with unpaid taxes shown on that year's Warrant Books. A public sale is held, at which time successful bidders pay the unpaid taxes plus penalties. Unpaid taxes accrue penalties at the rate of 1.5% (1% for agricultural property) per month from their due date until the date of sale. Taxpayers can redeem their property by paying the tax buyer the amount paid at the sale, plus a penalty. If no redemption is made within specified time periods based on the type of real estate involved, the tax buyer can receive a deed to the property. In addition, there are miscellaneous statutory provisions for foreclosure of tax liens.

### **Illinois Property Tax Extension Limitation Law**

The Property Tax Extension Limitation Law of the State of Illinois, as amended (the "Limitation Law"), effective in 1997 for Union County, limits the annual growth in the amount of property taxes to be extended for certain Illinois non-home rule units. In general, growth permitted under the Limitation Law is the lesser of 5% or the percentage increase in the Consumer Price Index during the calendar year proceeding the levy year. Taxes can also be increased due to new construction, referendum approval of tax rate increases, mergers and consolidations. The Limitation Law applies to the County.

The effect of the Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, unlimited ad valorem tax general obligation bonds, notes or installment contracts cannot be issued by a taxing district (except home rule unites) unless the obligations first are approved at a direct referendum or are for certain refunding purposes.

### **Truth in Taxation**

On July 29, 1981, legislation known as the Truth in Taxation Act became effective, which requires additional procedures in connection with the annual levying of property taxes. Notice in the prescribed form must be published if the aggregate annual levy by a taxing body is estimated to exceed 105% of its levy for the preceding year, exclusive of the election costs and debt service. A public hearing must also be held, which may not be in conjunction with the budget hearing of the taxing body. No amount in excess of 105% of the preceding year's levy may be extended for a taxing body unless the levy is accompanied by a certification of compliance with the foregoing procedures. The express purpose of the legislation is to require disclosure of a levy in excess of specified levels. However, the legislation does not impose any limitation on the rate or amount of the levies of taxes extended to pay principal of or interest on the Bonds.

Equalized Assessed Valuation (E.A.V.) is estimated at 33-1/3% of fair market value.

**Equalized Assessed Valuation**

<u>Tax Year</u>	<u>Total</u>	<u>Percent Increase (Decrease)</u>
2008	\$ 163,258,041	4.76%
2009	\$ 173,199,262	6.09%
2010	\$ 180,167,317	4.02%
2011	\$ 178,922,245	-0.69%
2012	\$ 186,240,505	4.09%
2013	\$ 181,594,873	-2.49%
2014	\$ 189,311,905	4.25%
2015	\$ 191,853,383	1.34%

*Source: Union County Clerk's Office*

<b>County Tax Rate Trend</b>
<i>(Per \$100 of Equalized Assessed Valuation)</i>

<b>FUND</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Corporate	0.26000	0.27000	0.58830	0.60920	0.57721	0.62199	0.83744	0.78085
County Highway	0.05860	0.05598	0.09990	0.04471	0.04296	0.07084	0.06867	0.06924
County Bridges	0.03627	0.03563	0.03410	0.03465	0.03329	0.03227	0.03170	0.03197
Federal Aid Matching	0.03627	0.03563	0.03890	0.03912	0.03759	0.03673	0.03540	0.03571
Hardroad	0.03627	0.03563	0.00000	0.13973	0.00000	0.00000	0.00000	0.00000
IMRF	0.41640	0.35644	0.02780	0.00671	0.23679	0.21829	0.10565	0.10653
TB Sanitarium	0.00670	0.00611	0.00710	0.00447	0.00322	0.00000	0.00000	0.00300
General Assistance	0.00279	0.00255	0.00440	0.14990	0.00000	0.00000	0.00001	0.00001
Bond & Interest	0.16328	0.15391	0.15050	0.00112	0.14372	0.21093	0.20667	0.10432
Liability Insurance	0.17452	0.17160	0.01390	0.01593	0.00054	0.05248	0.00006	0.06512
Senior Citizens	0.00000	0.02030	0.01940	0.02907	0.00054	0.01049	0.01057	0.00999
County Health	0.03063	0.02950	0.02930	0.02502	0.01718	0.02834	0.02853	0.02147
Education Extension	0.02662	0.02457	0.02410	0.00000	0.01181	0.01679	0.01110	0.01997
Mental Health	0.00000	0.00000	0.00000	0.00000	0.00322	0.00000	0.00000	0.00300
County Ambulance	0.19601	0.18877	0.20080	0.20065	0.19598	0.13643	0.13206	0.12476
Road and Bridge	0.00000	0.00000	0.00000	0.00000	0.00000	0.03855	0.03697	0.03728
Roads Out of Village	0.00000	0.00000	0.00000	0.00000	0.00000	0.11075	0.00000	0.00000
Roads In Village	0.00000	0.00000	0.00000	0.00000	0.00000	0.07248	0.00000	0.00000
Special Unit Road Dist	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.12039	0.12138
<b>Total</b>	<b>1.44436</b>	<b>1.38662</b>	<b>1.23850</b>	<b>1.30028</b>	<b>1.30405</b>	<b>1.65736</b>	<b>1.62522</b>	<b>1.53460</b>

Source: Union County Clerk's Office

**Representative Tax Rate Trend**  
*Per \$100 of Equalized Assessed Valuation*

<b>ENTITY</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
County Tax	1.44436	1.38662	1.23850	1.30028	1.30405	1.43558	1.46786	1.37594
County Road District	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.15736	0.15866
County Hospital & Bond	0.42406	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Anna CUSD #37	2.13814	2.07112	2.05940	2.75428	2.13462	2.28056	2.27588	2.30390
Anna-Jonesboro Comm. High School	1.58894	1.57509	1.71210	1.80329	1.87346	1.92053	1.93446	2.06746
Shawnee Community College	0.66308	0.67217	0.77520	0.77659	0.78639	0.78602	0.77787	0.78673
City of Anna	0.81996	0.80058	0.80510	0.83916	0.84819	0.91709	0.90457	0.92274
Unit Bridge	0.03955	0.03809	0.03790	0.03912	0.03251	0.03855	0.00000	0.00000
Roads in Village	0.06621	0.06438	0.06410	0.06681	0.06740	0.07248	0.00000	0.00000
Anna Road	0.06756	0.06596	0.06630	0.06910	0.06984	0.07551	0.00000	0.00000
Stinson M. Library	0.16976	0.16330	0.16370	0.16972	0.17036	0.18105	0.17879	0.18169
	<b>7.42162</b>	<b>6.83731</b>	<b>6.92230</b>	<b>7.81835</b>	<b>7.28682</b>	<b>7.70737</b>	<b>7.69679</b>	<b>7.79712</b>

Source: Union County Clerk's Office

<b>Year</b>	<b>Extension</b>	<b>Collection</b>	<b>Percent Collected</b>
<b>2008</b>	\$ 1,944,566	\$ 1,941,070	99.82%
<b>2009</b>	\$ 1,981,021	\$ 1,935,774	97.72%
<b>2010</b>	\$ 2,225,436	\$ 2,232,934	100.34%
<b>2011</b>	\$ 2,319,336	\$ 2,327,801	100.36%
<b>2012</b>	\$ 2,428,671	\$ 2,418,247	99.57%
<b>2013</b>	\$ 2,606,936	\$ 2,595,175	99.55%
<b>2014</b>	\$ 3,093,236	\$ 3,046,926	98.50%
<b>2015</b>	\$ 2,951,759	Unknown*	Unknown*

\* Real estate taxes for the 2015/2016 taxing year will be collected between July 2016 and December 2016.

<b>Largest County Taxpayers*</b> <b>2012 EAV = \$ 186,240,505</b>
--

Name	2012 EAV	% of County
Anna-Jonesboro National Bank	\$ 2,258,830.00	1.21%
Wal-Mart	1,500,500.00	0.81%
TE PDTS Pipeline Co	1,410,890.00	0.76%
William Cunningham	1,029,365.00	0.55%
Union County Hospital	1,012,270.00	0.54%
Anna Quarries, Inc.	770,570.00	0.41%
Texas Eastern Pipeline	758,490.00	0.41%
Anna State Bank	745,630.00	0.40%
Kel-Tech/Mulberry Manor	732,930.00	0.39%
Bank of Belleville	692,730.00	0.37%
Total	\$ 10,912,205.00	5.86%

\* Every effort has been made to include all taxable property of the taxpayers listed and to seek out and report the largest taxpayers within the County. May of the taxpayers listed contain multiple parcels and it is possible that some of the parcels may not have been included.

*Source: Union County Assessor's Office*

### FINANCIAL INFORMATION

The County's financial statements are audited annually by certified public accountants. The County's financial statements are completed on a modified accrual basis of accounting consistent with generally accepted accounting principles applicable to government entities. For more detail, see "APPENDIX B" for a copy of the County's cash basis financial statements as of November 30, 2015. This disclosure document will be updated with the finalized version of the 2015 Auditor's Report upon the Report's issuance.

**Union County Government  
General Fund Summary  
Balance Sheet  
For Years Ending November 30,**

<u>Assets</u>	<u>2009</u>	<u>2010</u> <sup>(1)</sup>	<u>2011</u> <sup>(1)</sup>	<u>2012</u> <sup>(2)</sup>	<u>2013</u>	<u>2014</u> <sup>(3)</sup>	<u>2015</u>
Cash & Cash Equivalents	\$ 194,046	\$ 258,621	\$ 56,669	\$ 1,962,790	\$ 5,404,879	\$ 365,570	\$ 672,983
Stamps on Hand	12,000	12,000	12,000	12,000	12,000	-	-
Loans receivable	-	-	-	-	141,618	-	-
Other receivables	-	-	-	-	-	-	734,617
<b>Total Assets</b>	<b>\$ 206,046</b>	<b>\$ 270,621</b>	<b>\$ 68,669</b>	<b>\$ 1,974,790</b>	<b>\$ 5,558,497</b>	<b>\$ 365,570</b>	<b>\$ 1,407,600</b>
<b><u>Liabilities &amp; Fund Balance</u></b>							
<b>Liabilities:</b>							
Due to other Funds	\$ 515,000	\$ 515,000	\$ 465,000	\$ -	\$ -	\$ -	\$ -
Due to Others	-	-	-	-	-	-	81,835
<b>Total Liabilities</b>	<b>\$ 515,000</b>	<b>\$ 515,000</b>	<b>\$ 465,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 81,835</b>
<b><u>Fund Balances:</u></b>							
Reserved for Inventory	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ -	\$ -
Reserved for revolving loan fund	-	-	-	-	262,389	-	-
Reserved for debt service	-	-	-	-	1,811,758	-	-
Unreserved for Debt Service In:							
General Fund	320,954	256,379	408,331	1,962,790	1,076,501	365,570	1,325,765
Special Revenue Funds	-	-	-	-	2,395,849	-	-
<b>Total Fund Balances</b>	<b>\$ 332,954</b>	<b>\$ 268,379</b>	<b>\$ 420,331</b>	<b>\$ 1,974,790</b>	<b>\$ 5,558,497</b>	<b>\$ 365,570</b>	<b>\$ 1,325,765</b>
<b>Total Liabilities &amp; Fund Balance</b>	<b>\$ 206,046</b>	<b>\$ 270,621</b>	<b>\$ 68,669</b>	<b>\$ 1,974,790</b>	<b>\$ 5,558,497</b>	<b>\$ 365,570</b>	<b>\$ 1,407,600</b>

(1) The County restated their audited annual financial statements for fiscal years 2010 and 2011 to reflect receipt of the one percent (1%) public facility sales tax that was approved via referendum on February 2, 2010 for the purposes of public facilities. The Sales taxes are considered revenue to the County. Pursuant to a custodial agreement between the County and The Bank of New York Mellon Trust Company, N.A., St. Louis, Missouri (the "2010 Bonds Paying Agent"), the 2010 Bonds Paying Agent maintains an account where Sales Taxes are deposited for the purpose of paying principal and interest on the 2010 Bonds. For fiscal years 2010 and 2011, the County omitted the Sales Taxes from its audited financial statements thereby under-reporting actual revenues. The County has since restated its audited financial statements for fiscal years 2010 and 2011 to reflect the Sales Taxes revenue and has filed the restated 2010 and 2011 audited financial statements with the MSRB on EMMA.

(2) The increase in cash and cash equivalents was caused by several factors: (i) in 2012 the County collected two fiscal years of property taxes; (ii) the County retired a significant interfund loan that increased the cash in the General Fund; and (iii) there was a late distribution out of the General Fund that is not reflected in the fiscal year 2012 audit and gives the impression of a larger cash balance.

(3) For the fiscal year ended November 30, 2014, only the General Fund assets, liabilities, fund balance, income and expenses are reported as General Fund items. The funds that were combined to compile the 2013 information that was collectively reported as General Fund items have all been properly restated in separate funds.

**Union County Government**  
**General Fund Summary**  
**Statement of Revenues, Expenditures, and Changes**  
**For Years Ending November 30**

<u>Receipts/Revenues</u>	<u>2009</u>	<u>2010<sup>(6)</sup></u>	<u>2011<sup>(6)</sup></u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Public Safety Tax	\$ -	\$ -	\$ -	\$ -	\$ 1,486,413	\$ 1,245,156	\$ 248,590
Property & Replacement Taxes	971,116	672,588	716,166	3,522,409 <sup>(1)</sup>	3,986,804	1,678,127	1,891,959
County Share of Illinois Income Tax	770,473	738,298	820,543	841,766	918,541	967,623	1,114,549
County Share of Sales Tax	485,859	521,152	513,832	527,711	549,392	443,391	523,168
Salary Reimbursements	275,867	254,988	158,097	380,426	735,771	494,753	254,752
Fines and Fee Income	837,928	757,592	615,254	615,254	809,698	981,704	721,414
Interest Income	9,431	65,804	3,603	13,930	17,466	1,828	1,357
Equipment Rental	-	-	-	-	355,542	-	-
Motor fuel tax allotments	-	-	-	-	676,845	-	-
Grants and entitlements	-	-	-	-	-	293,706	15,009
Other Receipts & Reimbursements	183,486	113,290	192,273	472,502	981,784	9,354	50,598
<b>Total Receipts/Revenues</b>	<b>\$ 3,534,160</b>	<b>\$ 3,123,712</b>	<b>\$ 3,019,768</b>	<b>\$ 6,373,998</b>	<b>\$ 10,518,256</b>	<b>\$ 6,115,642</b>	<b>\$ 4,821,396</b>
 <b><u>Disbursements/Expenditures</u></b>							
Current:							
General Government	\$ 859,432	\$ 1,232,591	\$ 1,305,759	\$ 1,930,596	\$ 3,870,262	\$ 2,337,056	\$ 2,317,325
Public Safety	1,117,924	1,008,603	935,509	1,171,183	2,237,791	1,752,792	1,707,157
Corrections	121,955	97,584	116,910	140,288	140,294	175,279	-
Judiciary & Legal	705,495	739,034	740,835	724,810	1,109,039	1,577,513	792,058
Health & Welfare	296,101	-	-	-	47,870	-	-
Other Expenditures & Reimbursements	86,859	-	-	-	6,498,840	-	-
<b>Total Disbursements/Expenditures</b>	<b>\$ 3,187,766</b>	<b>\$ 3,077,812</b>	<b>\$ 3,099,013</b>	<b>\$ 3,966,877</b>	<b>\$ 13,904,096</b>	<b>\$ 5,842,641</b>	<b>\$ 4,816,540</b>
 <b>Excess (Deficiency) of</b>							
<b>Revenues over Expenditures</b>	<b>\$ 346,394</b>	<b>\$ 45,900</b>	<b>\$ (79,245)</b>	<b>\$ 2,407,121</b>	<b>\$ (3,385,840)</b>	<b>\$ 273,001</b>	<b>\$ 4,856</b>
<b>Other Financing Sources (Uses):</b>							
Repayment of debt	-	-	-	-	(1,077,080)	-	-
Transfers In	-	18,675 <sup>(3)</sup>	-	-	16,815	-	144,738
Transfers Out	(31,800) <sup>(2)</sup>	-	(72,707) <sup>(4)</sup>	(36,000) <sup>(5)</sup>	(40,815)	-	(16,000)
<b>Total Other Financing Sources (Uses):</b>	<b>(31,800)</b>	<b>18,675</b>	<b>(72,707)</b>	<b>(36,000)</b>	<b>(1,101,080)</b>	<b>-</b>	<b>128,738</b>
<b>Net Change In Fund Balances</b>	<b>314,594</b>	<b>64,575</b>	<b>(151,952)</b>	<b>2,371,121</b>	<b>(4,486,920)</b>	<b>273,001</b>	<b>133,594</b>
<b>Fund Balances - Beginning of Year</b>	<b>(622,548)</b>	<b>(308,954)</b>	<b>(244,379)</b>	<b>(396,331)</b>	<b>10,045,417</b>	<b>5,558,497</b>	<b>1,192,171</b>
<b>Prior Period Adjustment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,465,928) <sup>(7)</sup></b>	<b>-</b>
<b>Fund Balances - End of Year</b>	<b>\$ (307,954)</b>	<b>\$ (244,379)</b>	<b>\$ (396,331)</b>	<b>\$ 1,974,790</b>	<b>\$ 5,558,497</b>	<b>\$ 365,570</b>	<b>\$ 1,325,765</b>

(1) In FY 2012 the County included funds that had previously been accounted for separately into the General Fund. The General Fund now includes the following: County Ambulance, County Community Health, Union County, Unit Road and Bridge, Roads in Villages and Roads not in Villages Funds. The increase in tax revenues received is a factor of this inclusion and to the fact that two years of tax revenues were accounted for in this fiscal year.

(2) Constitutes transfers of \$12,000 to Cemetery Fund and \$19,000 to the Animal Control Fund.

(3) Constitutes a transfer from the Hotel/Motel Tax Fund.

(4) Constitutes a transfer of \$4,456 to Cemetery Fund, \$4,833 to the County Unit Road District - MFT Fund, \$46,050 to the County Motor Fuel Tax Fund, and \$17,368 to the County Highway Fund.

(5) Constitutes transfers of \$12,000 to Cemetery Fund and \$24,000 to the Animal Control Fund.

(6) The County restated their audited annual financial statements for fiscal years 2010 and 2011 to reflect receipt of the one percent (1%) public facility sales tax that was approved via referendum on February 2, 2010 for the purposes of public facilities. The Sales taxes are considered revenue to the County. Pursuant to a custodial agreement between the County and The Bank of New York Mellon Trust Company, N.A., St. Louis, Missouri (the "2010 Bonds Paying Agent"), the 2010 Bonds Paying Agent maintains an account where Sales Taxes are deposited for the purpose of paying principal and interest on the 2010 Bonds. For fiscal years 2010 and 2011, the County omitted the Sales Taxes from its audited financial statements thereby under-reporting actual revenues. The County has since restated its audited financial statements for fiscal years 2010 and 2011 to reflect the Sales Taxes revenue and has filed the restated 2010 and 2011 audited financial statements with the MSRB on EMMA.

(7) For the fiscal year ended November 30, 2014, only the General Fund assets, liabilities, fund balance, income and expenses are reported as General Fund items. The funds that were combined to compile the 2013 information that was collectively reported as General Fund items have all been properly restated in separate funds.

## **EMPLOYEE PENSION AND OTHER BENEFITS**

### Illinois Municipal Retirement Fund (Defined Benefit Pension Plan)

Union County contributes under three separate Illinois Municipal Retirement Fund accounts: Sheriff's Law Enforcement Personnel (SLEP), Elected County Officials (ECO), and for all other covered county employees (Regular). The County's elected Sheriff is included in the Elected County Officials (ECO) account.

### Plan Description

Union County's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The County's plan is affiliated with the Illinois Municipal Retirement Fund, 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 employees participating in Regular IMRF are required to contribute 4.5% of their annual covered salary. SLEP and ECO members are required to contribute 7.5% of their annual 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 annual required contribution rate for calendar year 2014 used by the employer was 13.79% of annual covered payroll for Regular, 19.60% for SLEP and 18.34% for ECO. The County also contributes for disability benefits, death benefits and supplemental retirement benefits,

all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost

For fiscal year ending December 31, 2014, Union County’s actual contributions for pension costs were \$327,960 for Regular IMRF, \$115,269 for SLEP, and \$57,731 for ECO.

Three-Year Trend Information for the Regular IMRF, SLEP IMRF, and ECO IMRF Plan

<b>Actuarial Valuation Date</b>		<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>		<b>Net Pension Obligation</b>
<b><u>Regular</u></b>					
12/31/2014	\$	327,960	100%	\$	0
12/31/2013	\$	319,216	97%	\$	0
12/31/2012	\$	317,169	85%	\$	0
<b><u>SLEP</u></b>					
12/31/2014	\$	115,269	100%	\$	0
12/31/2013	\$	122,996	90%	\$	0
12/31/2012	\$	133,401	91%	\$	0
<b><u>ECO</u></b>					
12/31/2014	\$	57,731	100%	\$	0
12/31/2013	\$	64,323	100%	\$	0
12/31/2012	\$	73,625	100%	\$	0

The required contribution for 2014 was determined as part of the December 31, 2012 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2012 included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the IMRF assets for all plan types was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The County Regular IMRF Plan, SLEP IMRF Plan, and ECO IMRF Plan’s unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The employer plan’s unfunded actuarial accrued liability at December 31, 2012 is being amortized as a level percentage of projected payroll on an open 29 year basis for all three County plans.

Funded Status and Funding Progress

As of December 31, 2014, the most recent actuarial valuation date, the County's plans were funded as follows:

Regular IMRF	68.07% funded
SLEP IMRF	74.03% funded
ECO IMRF	110.13% funded

As of December 31, 2014, the actuarial accrued liabilities for benefits for the County's plans were:

Regular IMRF	\$	6,116,560.
SLEP IMRF	\$	2,706,634.
ECO IMRF	\$	689,161.

As of December 31, 2014, the actuarial values of assets for the County's plans were:

Regular IMRF	\$	4,163,622.
SLEP IMRF	\$	2,003,633.
ECO IMRF	\$	759,000.

As of December 31, 2014, the underfunded actuarial accrued liabilities (UAAL) or overfunded actuarial accrued liabilities for the County's plans were:

Regular IMRF	\$(	1,952,938.)
SLEP IMRF	\$(	703,001.)
ECO IMRF	\$	69,839.

As of December 31, 2014, the covered payrolls for the County's plans were:

Regular IMRF	\$	2,378,244.
SLEP IMRF	\$	588,108.
ECO IMRF	\$	314,779.

As of December 31, 2014, the ratios of the UAAL to the covered payroll for the County's plans were:

Regular IMRF	82%
SLEP IMRF	120%
ECO IMRF	None

***UNION COUNTY OPERATING BUDGET POLICIES***

In preparing the County's 2016 budget, all of the County Commissioners made the decision early on to work together to find the best possible path for all so that the services to our Union County residents would remain as consistent as possible during these uncertain times. At this time, we are all in agreement that as a Board of Commissioners, we cannot envision what our revenue sources

and resulting financial condition will be beyond the six months ended May 31, 2016. Therefore, the Board of Commissioners is presenting an annual budget and six month appropriations ordinance for the first six months of our 2016 fiscal year ending November 30, 2016.

We would like to thank our officeholders in advance for their understanding of and compliance with the 2016 budget and six month of appropriations. At this time, we will not be in a position to fund any capital improvements or budget beyond the basic necessities for each office. Our focus started and remained on keeping the services to our County residents as consistent as possible.

The board acknowledges that other cost saving measures may need to be implemented during the fiscal year ending November 30, 2016.

The County is restricted under the statutory limitations of the property tax extension limitation law (PTELL.) PTELL is commonly referred to as “tax caps.” For the 2015 payable 2016 real estate tax cycle, the 0.8% consumer price index increase results in a maximum estimated increase in property tax revenues of approximately \$30,000.

The tentative 2016 budget will be posted on November 13, 2015. The tentative 2016 budget will be posted for 15 days. The tentative 2016 budget will also be posted on the County website at [www.unioncountyil.org](http://www.unioncountyil.org) on November 13, 2015. The County Board reserves the right to change the tentative budget prior to final adoption. Any changes will be made in accordance with the Illinois Compiled Statutes.

The final 2016 budget will be posted on November 30, 2015. The final budget will also be posted on the County’s website at [www.unioncountyil.org](http://www.unioncountyil.org) on November 30, 2015.

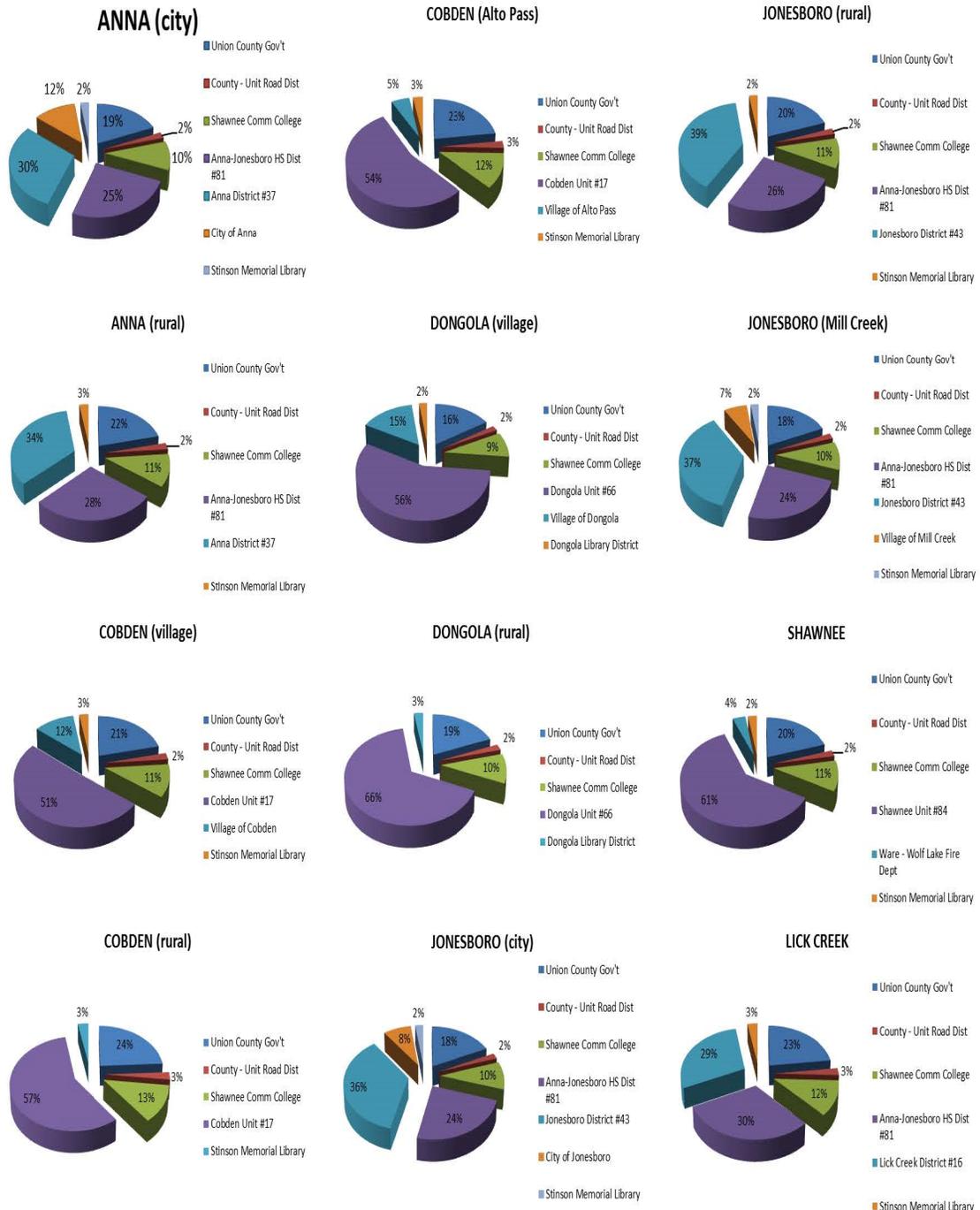
Elected and appointed office holders will be provided a paper copy of the tentative and final budget documents in addition to having access to the tentative and final budget documents that will be posted on the County’s website. The elected and appointed office holders will be required to initial a budget distribution list in order to receive a paper copy of the tentative and final budget documents. Prior to receiving a final budget document, each elected and appointed office holders will be required to turn in the copy of the tentative budget received to the County Board Administrator.

For questions, comments or concerns regarding the tentative or final budget documents, the County Board Administrator or the County Board can be contacted at (618) 833-8276. Paper copies of the tentative or final budgets for any other interested parties will be provided upon request.

### **BUDGETARY STATUTORY REFERENCES**

55 ILCS 5/6-100, 55 ILCS 5/6-1002, 55 ILCS 5/6-1002.5, and 55 ILCS 5/6-1003 describe the budget requirements for a County.

## Taxing district proportions by school district



### BUDGET DEVELOPMENT PROCESS

The budget development process begins approximately 3 months prior to the beginning of the fiscal year. Union County requires department budget requests to be performance-based and focused on goals, objectives and performance indicators.

General budget preparation instructions are provided for the department preparation portion of the process. Department Heads and Elected Officials are asked to complete the preparation of individual department budgets for which they are responsible, with submission to the County Administrator when requested.

The County Administrator completes revenue projections and consolidates all gathered information into a comprehensive budget request as a whole to be presented to the County Board.

The department heads and elected officials with county budgets, present their budgets to the County Board at open meetings, and engage in question and answer sessions with the board members. The documents are provided to the members of the County Board in advance of the Budget Hearings so that County Board Members have the opportunity to review and prepare before meeting with the department heads and elected officials.

The County Board places the budget on file in November to allow for public review and comment, as required by 55 ILCS 5/6-1001. The County Board also conducts a Truth in Taxation Public Hearing in November, if the annual tax levy will increase by more than 5%, as required by 35 ILCS 200/18-70.

At a November meeting, the County Board adopts and approves the annual Budget and Appropriation Ordinance to establish the budget for the ensuing fiscal year. The adoption of the budget requires an affirmative vote of at least a majority of all members of the County Board. The adoption of the budget constitutes appropriation of the amounts specified therein as expenditures from the funds indicated.

## **BUDGET PRIORITIES**

1. Union County places priority on improving and enhancing its own fiscal stability.
2. Develop and maintain long-term plan for County's facilities.

## **BUDGET GOALS**

Priority No. 1: Improving and enhancing Union County's fiscal stability

- Development and implementation of a multi-year plan – planned quality growth
- Performance evaluation of services
- Establishment of adequate reserves within County's fund balances
- Regular review and evaluation of revenue streams and opportunities
- Interdepartmental cooperation to identify successful strategies to be implemented across departmental lines, e.g.: tax cycle, continuous jury, pre-trial services, etc.
- Partner with other local governments to provide collaboration in service delivery,
- Develop communication with state legislative officials to ensure the State is a full partner in the funding of mandated services

Priority No. 2: Develop and maintain long-term plan for County's facilities

- Develop and maintain an updated condition assessment of all buildings and building systems;
- Budget appropriate reserves to maintain buildings as documented in condition assessment plan;
- Schedule workforce and budget appropriation to accomplish annual requirements for replacement;
- Consistently assess opportunities for grant funding to upgrade/maintain buildings and building systems.

## **FISCAL YEAR**

The County's fiscal year is December 1 through November 30.

## **BUDGETARY CONTROL**

The County's budget process is governed by Illinois Compiled Statutes and Union County Board Rules. Annual budget ordinances governing appropriations, property tax levies, and interfund transfers are passed by the County Board prior to the beginning of the new fiscal year. Budgetary control is exercised at the account level to insure that actual expenditures and outstanding encumbrances do not exceed available budget amounts. The County Board reviews and approves the budget's detailed accounts. The detailed budget is available on the County's website at [www.unioncountyil.gov](http://www.unioncountyil.gov). Illinois Compiled Statutes require that any revisions (i.e., budget transfers, additional appropriations) to the original appropriations be adopted by a two-thirds majority of the County Board. The annual budget adopted and all appropriations made therein, terminates with the close of the fiscal year. However, any remaining balances are available for approximately 30 days after the close of the fiscal year for the payment of obligations incurred prior to the close of the fiscal year.

Appropriations of governmental funds are encumbered upon the issuance of vouchers, contracts, or other forms of legal commitments. Outstanding orders for goods and services that have not been received are accounted for as a committed fund balance for a specific purpose. The encumbrance system assures that any amount over existing commitments can only be paid with available unobligated funds in the corresponding line item. If this is not possible, a budget transfer must be processed or appropriation increased.

Timely financial information related to budget and cost control is provided to all department directors and elected officials by means information generated by the County's accounting software program.

## **BUDGET TRANSFERS**

All budget transfers require a 2/3rd majority vote of the County Board.

## **APPROPRIATIONS**

All County funds are appropriated in the County's budget and appropriations ordinance. Appropriations will be considered the maximum authorization to incur obligations and not a mandate to spend. The County's 2016 appropriations ordinance will be adopted with the final budget document.

## **BALANCED BUDGET**

The County will make all current expenditures with current revenues, avoiding procedures that balance current budgets by postponing needed expenditures, realizing future revenues early, or rolling over short-term debt. A budget ordinance is balanced when the sum of estimated net revenues and appropriated fund balances is equal to appropriations.

## **BUDGET PROCESS**

The Board will hold budget meetings, as appropriate, with County-wide Elected Officials and Department Heads, to develop and approve budget recommendations to the County Board. Such meetings are open to the public for comment and input. Upon completion of appropriate Board review and approval, departments and Elected Officials submit any revisions to their budget materials to the County Board. The County Board meets with County-wide Elected Officials and Department Heads to go over their budget requests, compiles and reviews department requests and other submission information; develops spending and revenue estimates, budget scenarios, and options for review.

The Union County Board presents its tentative fiscal year budget to the public in an open meeting in November of each year. The tentative budget will be published on the County's website at [www.unioncountyil.gov](http://www.unioncountyil.gov).

The tentative budget will be posted and filed with County Clerk for at least 15 days prior to passage (on or before November 15th). A Truth in Taxation hearing, if required and all public hearings on proposed final budget will be held before November 30<sup>th</sup> of each year. The County Board approves the final annual budget prior to November 30<sup>th</sup>.

## **PUBLIC HEARINGS**

All Public hearings regarding the budget process, tax levies, truth in taxation, and appropriations will be held at the Union County Courthouse in Jonesboro, IL and will be posted in accordance with the open meetings act.

## **COUNTY ACCOUNTING STRUCTURE**

The County's finances are identified by funds, depending on the nature and legal use of fund source, for both accounting and budgeting purposes. For both purposes, funds are segregated into three main fund types: governmental, proprietary and fiduciary.

The County's financial structure begins with funds. Each fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, as appropriate. Several types of funds are budgeted.

## **BASIS OF BUDGETING**

The County's budget is developed on a cash basis, due primarily to income being recognized once received. The County recognizes transactions or events when related cash amounts are received or disbursed. However, estimated modified accrued expenses, as it impacts availability of resources for appropriations are taken into account in budget development. This is done by limiting appropriations to estimated cash revenues. Budget appropriations and interfund transfers are set to estimated fiscal year cash receipts. Final reconciliation of accrued expenses takes place in the spring, once the prior year is closed.

## **FUND TYPE DESCRIPTIONS**

*Governmental Funds* – Most of the County's basic services are included in governmental funds. The General Fund is the main operating fund of the county and the largest of the governmental funds. Fund income is comprised of various sources for non-dedicated purposes. Remaining governmental funds, which include special revenue funds, debt services funds and capital project funds, are considered non-major governmental funds.

*Proprietary Funds* – Proprietary funds consist of enterprise funds and internal services funds. These funds account for operations that are conducted in a manner similar to private business in which costs are charged as a user fee. At this time, Union County Government does not have any proprietary funds.

*Fiduciary Funds* – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The County's fiduciary funds consist of agency funds, which are used to account for monies received, held and disbursed, as required by statute. These funds are not appropriated and are not included in the County's budget documents.

## **FUND DESCRIPTIONS**

### *General Fund*

The General Fund is Union County's chief operating fund. It is the primary funding source for elected officials and County support functions, covering basic governmental activities such as public safety, legal and judicial operations, community and human services, county administration, property assessment and tax collections. Approximately 70% of County staff is funded by the General Fund.

The fund is funded primarily by general, unassigned revenue streams such as sales tax, income tax, various undesignated charges and fees and the General Fund portion of the property tax levy.

### *Special Revenue Funds*

Special Revenue funded programs are restricted by dedicated purpose revenues.

### *Debt Service Funds*

Debt Service Funds are utilized to account for the payment of interest, principal and related costs on the County's general long-term debt. The County has two debt services funds. One fund is for the repayment of the bonds issued for the construction on the Union County Courthouse. The other fund is used for the retirement of bonds issued for the purpose of self-funded liability insurance.

### *Capital Projects Funds*

Capital Project Funds are used to account for all expenditures and revenues associated with the acquisition or construction of major facilities that are not financed through proprietary funds or funds being held for other governments. At this time, the County does not have any capital projects funds.

### *Capital Improvement Fund*

The County intends to maintain all its assets at a level adequate to protect the County's capital interest and to minimize future maintenance and replacement costs.

The County will identify the estimated costs and potential funding sources for each capital project proposal before it is submitted and included in the Capital Improvement Fund plan.

The County Board is authorized to approve all expenditures from the Capital Improvement Fund in compliance with the multi-year plan and policies established by the County Board. Statutorily, no more than 3% of the total of the General Corporate Fund Appropriation may be appropriated annually to the Capital Improvement Fund.

### *Contingency Expense*

A General Fund contingency appropriation will be designated for emergency purchases during the year. Statutorily, no more than 5% of the total General Fund Appropriation may be appropriated to the contingency expense. Money appropriated in the contingency expense may be used for contingent, incidental, or general county purposes, but no part of the amounts so appropriated shall be used for purposes for which other appropriations are made in such budget unless a transfer of funds is made with the approval of 2/3rd of the members of the County Board.

## **FORM OF BUDGET**

The final Budget document must include the following, showing specific amounts:

- Statement of financial information including a projection of the prior year's revenue and expenditure totals, and the ensuing year's revenue and expenditure projections;

- Statement of all moneys in the county treasury unexpended at the termination of the last fiscal year;
- Any additional information required by state law.

## **REVENUE POLICIES**

### *Sources of Revenue*

The County will try to maintain a diversified and stable revenue system to shelter it from unforeseeable short-run fluctuations in any one-revenue source.

The County will estimate its annual revenues by an objective, analytical process, wherever practical. The County will project revenues for the next year and will update the projection annually. Each existing and potential revenue source will be re-examined on an ongoing basis.

### *One-Time Revenues*

To the extent feasible, one-time revenues will be applied toward one-time expenditures; they will not be used to finance ongoing programs. On-going revenues should be equal to or exceed ongoing expenditures.

### *Grants*

The Union County Board supports efforts to pursue grant revenues to provide or enhance County mandated and non-mandated services and capital needs. Activities which are, or will be, recurring shall be initiated with grant funds only if one of the following conditions are met: (a) the activity or service can be terminated in the event the grant revenues are discontinued; or (b) the activity should, or could be, assumed by the County (or specific fund) general and recurring operating funds. Departments are encouraged to seek additional sources of revenue to support the services prior to expiration of grant funding.

### *Financial Reserves and Surplus*

On an annual basis, the fund balance for each fund shall be reviewed, and projections of reserve requirements and a plan for the use of an excess surplus shall be documented.

It is the intent of the County to use all surpluses generated to accomplish three goals: meeting reserve policies, avoidance of future debt and reduction of outstanding debt.

### *Property Tax*

The property tax rates for each levy shall be calculated in accordance with the Property Tax Extension Limitation Law.

### *User Fees*

The County charges user fees for items and services, which benefit a specific user more than the general public. State law or an indirect cost study determines the parameters for user fees. The County shall review all fees assessed in its annual budget preparation process to determine the appropriate level of fees for services and recommend any proposed changes to the fees collected to be implemented in the ensuing budget year.

## **ACCOUNTING POLICIES**

### *Accounting/Auditing*

State statutes require an annual audit by independent certified public accountants. The County follows generally accepted accounting principles (GAAP). The County uses an accounts receivable system to accrue revenues when they are measurable for governmental fund types. Departments should bill appropriate parties for amounts owed to Union County, review aging reports, complete follow-up information about the account, and monitor all accounts receivables.

### *Debt Management Policies*

When applicable, the County shall review its outstanding debt for the purpose of determining if the financial marketplace will afford the County the opportunity to refund an issue and lessen its debt service costs. In order to consider the possible refunding of an issue a Present Value savings of three percent over the life of the respective issue, at a minimum, must be attainable.

The County will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues.

When the county finances capital projects by issuing bonds, it will pay back the bonds within a period not to exceed the estimated useful life of the project.

The County will strive to have the final maturity of general obligation bonds at, or below, forty years. Whenever possible, the County will use special assessment, revenue, or other self-supporting bonds instead of general obligation bonds, so those benefiting from the improvements will bear all or part of the cost of the project financed.

The County will not use long-term debt for current operations.

The County will maintain good communications with bond rating agencies regarding its financial condition. The County will follow a policy of full disclosure on every financial report and borrowing prospectus.

## **FIXED ASSETS**

The County plans to integrate its current software program to actively track a fixed asset inventory of furniture, equipment, buildings, and improvements with a value of greater than specified values per class and a useful life of one year or more.

## **INVESTMENT**

The County Treasurer is responsible for the investing of all Union County funds.

With County Board approval, the Treasurer may make a short term loan of idle monies from one fund to another, subject to the following criteria:

- a. Such loan does not conflict with any restrictions on use of the source fund;
- b. Such loan is to be repaid to the source fund within a twelve month period.

## **PURCHASING**

All items with an expected value of \$30,000 or more must be competitively bid with exceptions for professional services (other than engineering, architectural or land surveying services). Additional competitive bid requirements may apply by statute or as a condition of using funds from an outside source. All purchases over the respective limit of \$30,000, which require the use of either formal bids or requests for proposals, must be approved by the full Union County Board.