

2019 ANNUAL DISCLOSURE REPORT
(Pursuant to the Securities and Exchange Commission Rule 15c-2-12)

Related to:

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COUNTY OF UNION, ILLINOIS

\$11,430,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2019
\$2,040,000 General Obligation Refunding Limited Bonds, Series 2014
\$12,635,000 Taxable General Obligation Bonds (ARS), Series 2010B (BAB)

Prepared By:

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UNION COUNTY

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. Elected County officials include the County Clerk and Recorder, Treasurer and 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 58 are unionized. The County also has 32 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 773 | 18 | 11.30.2020 |
| IFOP – Sheriff ⁽¹⁾ | 18 | 11.30.2021 |
| Operators Local 318 | 10 | 11.30.2021 |
| IAFF 4857 – Ambulance ⁽²⁾ | 12 | 11.30.2020 |

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.

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 #30, which supports services for 19 school districts in Alexander, Perry, Pulaski, Jackson 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

SOCIO-ECONOMIC INFORMATION

Population Trend

| | <u>1990</u> | <u>2000</u> | <u>2010</u> | <u>2018⁽¹⁾ Est.</u> |
|--------------------------|-------------|-------------|-------------|--------------------------------|
| Union County | 17,619 | 18,293 | 17,808 | 17,127 |
| City of Anna | 4,805 | 5,136 | 4,442 | 4,232 |
| City of Jonesboro | 1,728 | 1,853 | 1,821 | 1,935 |
| State of Illinois | 11,430,602 | 12,419,293 | 12,830,632 | 12,821,497 |

Median Home Value

| | <u>1990</u> | <u>2000</u> | <u>2010</u> | <u>2018⁽¹⁾ Est.</u> |
|--------------------------|-------------|-------------|-------------|--------------------------------|
| Union County | \$ 36,700 | \$ 59,900 | \$ 88,200 | \$ 101,500 |
| City of Anna | 37,700 | 57,300 | 79,000 | 81,600 |
| City of Jonesboro | 36,600 | 54,400 | 83,600 | 81,800 |
| State of Illinois | 80,900 | 130,800 | 198,500 | 187,200 |

(1) 2014-2018 American Community Survey 5yr. Estimate, U.S. Census Bureau

Median Family Value

| | <u>1990</u> | <u>2000</u> | <u>2010</u> | <u>2018⁽¹⁾ Est.</u> |
|--------------------------|-------------|-------------|-------------|--------------------------------|
| Union County | 24,875 | 37,710 | 51,024 | 58,201 |
| City of Anna | 21,550 | 30,912 | 40,913 | 50,507 |
| City of Jonesboro | 24,932 | 40,066 | 41,488 | 58,750 |
| State of Illinois | 38,664 | 55,545 | 69,658 | 79,747 |

(1) 2014-2018 American Community Survey 5yr. Estimate, U.S. Census Bureau

Average Annual Unemployment Rates

| | Calendar Year | Union County | State of IL |
|-----------------|----------------------|---------------------|--------------------|
| | 2013 | 11.20 | 9.00 |
| | 2014 | 8.70 | 7.10 |
| | 2015 | 7.60 | 6.00 |
| | 2016 | 7.40 | 5.80 |
| | 2017 | 6.30 | 5.00 |
| | 2018 | 6.50 | 4.30 |
| As of December, | 2019 | 5.80 | 3.50 |
| As of April, | 2020 | 14.0 | 16.9 |

Source: Illinois Department of Employment Security

Largest Area Employers

| <u>Employer</u> | <u>Product of Service</u> | <u>Appx. No. of Employees</u> |
|--|---|-------------------------------|
| Flamm Orchards | Wholesale of fruits and vegetables | 150 |
| Rendleman Orchards | Wholesale of fruits and vegetables | 63 |
| J.R. Center | Textile Screen printing | 60 |
| Cook Sales, Inc. | Corp. headquarters, prefabricated portable warehouses | 60 |
| C.H. Robinson Co. | Freight transportation services and logistics for fresh produce | 55 |
| Grove Mays Construction | Commercial building | 50 |
| Southern Illinois Motor Xpress, Inc. | Freight transportation, long distance truck services | 50 |
| Rave-Rehabilitation & Vocational Education, Inc. | Contract packaging and assembly | 40 |
| Southern Illinois Electric Co-Op | Electric utility service | 39 |
| Anna Quarries, Inc. | Crushed stone and agricultural limestone | 35 |

Source: 2019 Illinois Manufacturer's Directory and 2019 Illinois Services Directory.

DEBT INFORMATION

Statement of Long Term Bonded Indebtedness (as of June 2, 2020)

| | Amount Applicable | Per Capita (2018 pop. 17,127) | % of EAV | Estimated True Value |
|---|------------------------|-------------------------------------|---------------|-------------------------|
| EAV, 2019 | \$ 213,221,946 | \$ 12,449.46 | 100% | 33.33% |
| East. True Value, 2019 | \$ 639,665,838 | \$ 37,348.39 | 300% | 100.00% |
| Direct General Obligation Bonded Debt | \$ 13,090,000 | \$ 764.29 | 6.14% | 2.05% |
| Less: Self-Supported Debt ⁽¹⁾ | <u>\$ (11,750,000)</u> | <u>\$ (686.05)</u> | <u>-5.51%</u> | <u>-1.84%</u> |
| Total Direct General Obligation Debt ⁽²⁾ | \$ 1,340,000 | \$ 78.24 | 0.63% | 0.21% |
| Total Overlapping Bonded Debt | <u>\$ 7,852,053</u> | <u>\$ 458.46</u> | <u>3.68%</u> | <u>1.23%</u> |
| Total Direct & Overlapping Debt | \$ 1,340,000 | \$ 78.24 | 0.63% | 0.21% |

(1) Pursuant to the provision of the Debt Reform Act, self-supporting bonds do not count against the County's overall 2.875% statutory debt limitation, unless the County fails to abate the property tax levies made for the payment thereof.

(2) 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's Clerk's Office and County's Audited Financial Statements.

Legal Debt Margin
(as of June 2, 2020)

| | |
|--|------------------------|
| 2019 Equalized Assessed Valuation (E. A. V.) | \$ 213,221,946 |
| Statutory Debt Limit (2.875% of E. A. V.) | 6,130,131 |
| General Obligation Debt Applicable to Limitation: | |
| Taxable General Obligation Bonds (ARS), Series 2010B (BAB (Direct Payment)) ⁽¹⁾ | 320,000 |
| General Obligation Limited Bonds, Series 2014 | 1,340,000 |
| General Obligation Bonds (ARS), Series 2019 | <u>11,430,000</u> |
| Total Direct General Obligation Debt | 13,090,000 |
| Less Self-Supporting Debt ⁽¹⁾ | (11,750,000) |
| Total Net Direct Debt ⁽²⁾ | 1,340,000 |
| Available Legal Debt Margin | <u>\$ 4,790,130.95</u> |

(1) Pursuant to the provision of the Debt Reform Act, self-supporting bonds do not count against the County's overall 2.875% statutory debt limitation, unless the County fails to abate the property tax levies made for the payment thereof.

(2) 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's Clerk's Office.

Source: Union County's Clerk's Office and County's Audited Financial Statements.

Detailed Overlapping Bonded Debt
(as of June 2, 2020)

| Taxing Body | Applicable to County | | |
|---|-----------------------------|----------------|---------------------|
| | Outstanding Debt | Percent | Amount |
| Lake Egypt Fire Protection District | - | 0.03% | - |
| Lick Creek School District # 16 | 220,010 | 100.00% | 220,010 |
| Anna School District #37 | 658,600 | 100.00% | 658,600 |
| Jonesboro School District #43 | 452,900 | 99.98% | 452,809 |
| Buncombe Consolidated School District #43j | 81,000 | 0.44% | 356 |
| Cypress School District #64J | 35,000 | 2.89% | 1,012 |
| Vienna H.S. Dist No. 13-3 | 3,287,621 | 0.30% | 9,863 |
| Anna-Jonesboro Community High School District #81 | 2,598,000 | 99.99% | 2,597,740 |
| Goreville CUSD # 1 | 3,640,000 | 1.30% | 47,320 |
| Cobden Unit School District #17 | 1,465,000 | 99.00% | 1,450,350 |
| Dongola Unit School District #66 | 688,700 | 99.56% | 685,670 |
| Shawnee Community Unit School District #84 | 859,600 | 20.81% | 178,883 |
| Shawnee Community College District # 531 | <u>4,800,000</u> | 32.28% | <u>1,549,440.00</u> |
| Total Overlapping Debt | 18,786,431.00 | | 7,852,052.86 |

Source: County Clerk's Office and the Electronic Municipal Market Access system ("EMMA") established by the Municipal Securities Rulemaking Board ("MSRB").

Schedule of Bonded Indebtedness

(As of June 2, 2020)

| | Series 2010B | | Series 2014 | | Series 2019 | | | | | | |
|---------------------|-------------------|------------------|---------------------|-------------------|----------------------|---------------------|----------------------|---------------------|----------------------|--------------------|--------------|
| Dated Date | 9/29/2010 | | 2/20/2014 | | 10/10/2019 | | | | | | |
| Par amount | 12,635,000 | | 2,040,000 | | 11,430,000 | | | | | | |
| Maturity | 9/1/2041 | | 12/1/2033 | | 9/1/2042 | | | | | | |
| Fiscal Year | | | | | | | Total | Total | Total | Principal | |
| Ending 11/30 | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | P & I | Outstanding | %Paid |
| 2020 | 320,000 | 16,000 | 155,000 | 23,620 | 35,000 | 412,496 | 510,000 | 491,974 | 1,001,974 | 12,580,000 | 3.90% |
| 2021 | | | 160,000 | 42,503 | 330,000 | 461,213 | 490,000 | 503,716 | 993,716 | 12,090,000 | 7.64% |
| 2022 | | | 165,000 | 36,815 | 345,000 | 448,013 | 510,000 | 484,828 | 994,828 | 11,580,000 | 11.54% |
| 2023 | | | 170,000 | 30,868 | 355,000 | 434,213 | 525,000 | 465,081 | 990,081 | 11,055,000 | 15.55% |
| 2024 | | | 175,000 | 24,439 | 370,000 | 420,013 | 545,000 | 444,452 | 989,452 | 10,510,000 | 19.71% |
| 2025 | | | 185,000 | 17,370 | 390,000 | 405,213 | 575,000 | 422,583 | 997,583 | 9,935,000 | 24.10% |
| 2026 | | | 190,000 | 9,775 | 400,000 | 389,613 | 590,000 | 399,388 | 989,388 | 9,345,000 | 28.61% |
| 2027 | | | 140,000 | 2,940 | 420,000 | 373,613 | 560,000 | 376,553 | 936,553 | 8,785,000 | 32.89% |
| 2028 | | | | | 440,000 | 356,813 | 440,000 | 356,813 | 796,813 | 8,345,000 | 36.25% |
| 2029 | | | | | 455,000 | 339,213 | 455,000 | 339,213 | 794,213 | 7,890,000 | 39.72% |
| 2030 | | | | | 475,000 | 321,013 | 475,000 | 321,013 | 796,013 | 7,415,000 | 43.35% |
| 2031 | | | | | 495,000 | 302,013 | 495,000 | 302,013 | 797,013 | 6,920,000 | 47.14% |
| 2032 | | | | | 515,000 | 282,213 | 515,000 | 282,213 | 797,213 | 6,405,000 | 51.07% |
| 2033 | | | | | 535,000 | 261,613 | 535,000 | 261,613 | 796,613 | 5,870,000 | 55.16% |
| 2034 | | | | | 560,000 | 240,213 | 560,000 | 240,213 | 800,213 | 5,310,000 | 59.43% |
| 2035 | | | | | 575,000 | 217,813 | 575,000 | 217,813 | 792,813 | 4,735,000 | 63.83% |
| 2036 | | | | | 605,000 | 194,813 | 605,000 | 194,813 | 799,813 | 4,130,000 | 68.45% |
| 2037 | | | | | 630,000 | 170,613 | 630,000 | 170,613 | 800,613 | 3,500,000 | 73.26% |
| 2038 | | | | | 655,000 | 145,413 | 655,000 | 145,413 | 800,413 | 2,845,000 | 78.27% |
| 2039 | | | | | 680,000 | 119,213 | 680,000 | 119,213 | 799,213 | 2,165,000 | 83.46% |
| 2040 | | | | | 720,000 | 92,013 | 720,000 | 92,013 | 812,013 | 1,445,000 | 88.96% |
| 2041 | | | | | 615,000 | 61,413 | 615,000 | 61,413 | 676,413 | 830,000 | 93.66% |
| 2042 | | | | | 830,000 | 35,275 | 830,000 | 35,275 | 865,275 | - | 100.00% |
| Total | \$ 320,000 | \$ 16,000 | \$ 1,340,000 | \$ 188,330 | \$ 11,430,000 | \$ 6,484,034 | \$ 13,090,000 | \$ 6,728,221 | \$ 19,818,221 | | |

Source: The County's Annual Financial Statements.

PROPERTY ASSESSMENT AND TAX INFORMATION

Assessment

The Supervisor of Assessments is responsible for the assessment of all taxable real property within the county 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 for assessment years 2006 and 2007, \$55,000 for assessment year 2008 through 2016, and \$65,000 for 2017 and thereafter. 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 \$100,000 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 prior to 2015. 2015 and thereafter (i) those veterans with a service-connected disability of 70% or more are exempt from taxation, (ii) veterans with a service-connected disability of less than 70%, but at least 50% are granted an exemption of \$5,000, and (iii) veterans with a service-connected disability of less than 50%, but more than 30% 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.

EAV - By Category

| <u>Property Type</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|----------------------|------------------|------------------|------------------|------------------|------------------|
| Farm | 55,852,081 | 58,983,682 | 62,050,963 | 63,394,899 | 66,346,619 |
| Residential | 97,136,994 | 101,720,681 | 104,672,256 | 103,460,107 | 106,039,138 |
| Commercial | 30,703,809 | 32,092,141 | 32,311,929 | 31,840,328 | 32,143,429 |
| Industrial | 683,090 | 702,694 | 714,511 | 703,936 | 714,511 |
| Railroad | <u>7,477,409</u> | <u>7,492,154</u> | <u>7,240,711</u> | <u>7,980,835</u> | <u>7,844,527</u> |
| Total | 191,853,383 | 200,991,352 | 206,990,370 | 207,380,105 | 213,088,224 |

Source: County Clerk's Office.

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

Equalized Assessed Valuation

| <u>Tax Year</u> | <u>Rate Setting EAV</u> | <u>TIF Incremental Value</u> | <u>Total</u> | <u>% Increase</u> |
|-----------------|-------------------------|------------------------------|--------------|-------------------|
| 2015 | 191,853,383 | 493,713 | 192,347,096 | 1.34% |
| 2016 | 200,991,352 | 761,136 | 201,752,488 | 4.76% |
| 2017 | 206,990,370 | 916,598 | 207,906,968 | 2.98% |
| 2018 | 207,380,105 | 877,096 | 208,257,201 | 0.19% |
| 2019 | 213,221,946 | 948,096 | 214,170,042 | 2.82% |

Source: Union County Clerk's Office.

County Tax Rate Trend
(Per \$100 of Equalized Assessed Valuation)

| <u>FUND</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|------------------------|----------------|----------------|----------------|----------------|----------------|
| Corporate | 0.78085 | 0.64985 | 0.61878 | 0.55000 | 0.63118 |
| County Highway | 0.06924 | 0.07439 | 0.02833 | 0.06437 | 0.06238 |
| County Bridges | 0.03197 | 0.03435 | 0.06527 | 0.06497 | 0.03387 |
| Federal Aid Matching | 0.03571 | 0.03891 | 0.03778 | 0.03761 | 0.03658 |
| Hardboard | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| IMRF | 0.10653 | 0.11830 | 0.18926 | 0.20615 | 0.22463 |
| TB Sanitarium | 0.00300 | 0.00316 | 0.00307 | 0.00308 | 0.00300 |
| General Assistance | 0.00001 | 0.00001 | 0.00002 | 0.00002 | 0.00000 |
| Bond and Interest | 0.10432 | 0.10612 | 0.10429 | 0.07551 | 0.08895 |
| Liability Insurance | 0.06512 | 0.07098 | 0.01839 | 0.09133 | 0.04690 |
| Senior Citizens | 0.00999 | 0.00473 | 0.00511 | 0.00507 | 0.00493 |
| County Health | 0.02147 | 0.02103 | 0.01787 | 0.01774 | 0.01726 |
| Educational Expense | 0.01997 | 0.02103 | 0.01839 | 0.01953 | 0.01900 |
| Mental Health | 0.00300 | 0.00316 | 0.00307 | 0.00308 | 0.00300 |
| County Ambulance | 0.12476 | 0.12343 | 0.06760 | 0.06729 | 0.08507 |
| Social Security | 0.00000 | 0.00000 | 0.15682 | 0.14858 | 0.12450 |
| Unemployment insurance | 0.00000 | 0.00000 | 0.01581 | 0.00103 | 0.00000 |
| Total | 1.37594 | 1.34029 | 1.34986 | 1.35536 | 1.38174 |

Source: Union County Clerk's Office.

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

| <u>Entity</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|
| County Tax | 1.37594 | 1.34029 | 1.34986 | 1.35536 | 1.38174 |
| County Road District | 0.15866 | 0.15458 | 0.15541 | 0.15969 | 0.16130 |
| County Hospital Bond | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| Anna CUSD No. 37 | 2.30390 | 2.25119 | 2.27521 | 2.34848 | 2.36272 |
| Anna-Jonesboro Comm. High School N.81 | 2.06746 | 2.04288 | 2.07705 | 2.10258 | 2.09772 |
| Shawnee Community College | 0.78673 | 0.77809 | 0.74978 | 0.75559 | 0.74545 |
| City of Anna | 0.92274 | 0.90561 | 0.92470 | 0.96203 | 0.99794 |
| Unit Bridge | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| Roads in Village | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| Anna Road | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| Stinson M. Library | <u>0.18169</u> | <u>0.17684</u> | <u>0.17737</u> | <u>0.18281</u> | <u>0.18671</u> |
| Total | 7.79712 | 7.64948 | 7.70938 | 7.86654 | 7.93358 |

Source: Union County Clerk's Office.

Tax Collections

| levy year | Extension | Collection | %Collected |
|--------------|-----------|------------------|------------|
| 2014 | 3,093,236 | 3,046,926 | 98.50% |
| 2015 | 2,944,182 | 2,905,598 | 98.69% |
| 2016 | 3,014,120 | 2,965,306 | 98.38% |
| 2017 | 3,115,818 | 3,073,216 | 98.63% |
| 2018 | 3,141,967 | 3,097,754.7 | 98.59% |
| 2019 | 2,932,266 | ** In Collection | |

** Final Distribution has not been processed yet.

Source: Union County Clerk and Treasurer's Office.

Largest County Taxpayers ⁽¹⁾

| Name | 2019 EAV | % of County's EAV |
|-----------------------------------|----------------|-------------------|
| 1 TE PDTS Pipeline Co LP | 1,457,791 | 0.68% |
| 2 Wal-Mart | 1,454,306 | 0.68% |
| 3 Union County Hospital District | 1,058,834 | 0.50% |
| 4 Anna National Bank | 863,337 | 0.40% |
| 5 Texas Eastern Trans Corp | 793,381 | 0.37% |
| 6 Anna Supportive Living LP | 741,044 | 0.35% |
| 7 Southern Ill Elect Cooperative | 713,267 | 0.33% |
| 8 Country Village Preservation LP | 611,994 | 0.29% |
| 9 Davis Land Company LLC | 610,438 | 0.29% |
| 10 Anna State Bank | <u>605,584</u> | <u>0.28%</u> |
| Total | 8,909,976 | 4.18% |

(1) 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. Many of the taxpayers listed contain multiple parcels and it is possible that some of the parcels may not have been included.

Source: Union County Clerk'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 A" for a copy of the County's Fiscal Year 2019 audited financial statements.

Union County Balance Sheet General Fund Summary For Years Ending November 30th

| Assets | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Cash and Cash Equivalent | \$ 672,983 | \$ 116,215 | \$ 1,259,051 | \$ 1,466,637 | \$ 1,359,602 |
| Receivables net: | | | | | |
| State of Illinois | - | - | 140,239 | 181,736 | 187,706 |
| Property taxes | - | - | 1,487,327 | 79,799 | 61,423 |
| Other | - | - | 20,000 | 31,766 | 22,678 |
| Due from other funds | - | - | 48,101 | 33,511 | 72,492 |
| Prepaid Receivable | - | - | - | - | 8,221 |
| Other Receivable | 734,617 | 908,772 | - | - | - |
| Total Assets | <u>\$ 1,407,600</u> | <u>\$ 1,024,987</u> | <u>\$ 2,954,718</u> | <u>\$ 1,793,449</u> | <u>\$ 1,712,122</u> |
| Liabilities and Fund Balances | | | | | |
| Liabilities: | | | | | |
| Accounts payable | 78,838 | 216,098 | 82,684 | 154,015 | 103,049 |
| Other Payable | - | 5,742 | 6,719 | 12,143 | 91,194 |
| Due to other Funds | - | 112,676 | 10,711 | 10,711 | 4,974 |
| Due to Others | 2,997 | - | - | - | - |
| Unearned Revenue | - | - | 32,782 | 33,765 | - |
| Total Liabilities | <u>81,835</u> | <u>334,516</u> | <u>132,896</u> | <u>210,634</u> | <u>199,217</u> |
| Deferred inflows of Resources | | | | | |
| Unavailable property taxes | - | - | 1,487,327 | 79,799 | 61,423 |
| Unavailable revenues | - | - | - | - | - |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>1,487,327</u> | <u>79,799</u> | <u>61,423</u> |
| Total liabilities and deferred inflows of resources | <u>81,835</u> | <u>334,516</u> | <u>1,620,223</u> | <u>290,433</u> | <u>260,640</u> |
| Fund Balance | | | | | |
| Committed to a specific purpose | - | - | 1,156,319 | 1,171,866 | 1,132,009 |
| Unassigned | - | 690,471 | 178,176 | 331,150 | 319,473 |
| Reserved for Inventory | - | - | - | - | - |
| Unreserved for Debt Service in GF | 1,325,765 | - | - | - | - |
| Total Fund Balances | <u>1,325,765</u> | <u>690,471</u> | <u>1,334,495</u> | <u>1,503,016</u> | <u>1,451,482</u> |
| Total Liabilities and Fund Balances | <u>\$ 1,407,600</u> | <u>\$ 1,024,987</u> | <u>\$ 2,954,718</u> | <u>\$ 1,793,449</u> | <u>\$ 1,712,122</u> |

Source: The County's Annual Financial Statements

Union County
Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund Summary
For Years Ending November 30th

| Revenues | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Property Taxes | \$ 1,745,896 | \$ 1,591,984 | \$ 1,393,965 | \$ 1,375,908 | \$ 1,208,131 |
| State of Illinois: | | | | | |
| Local Use Tax | \$ 148,872 | \$ 285,211 | \$ 230,017 | \$ 254,395 | \$ 297,493 |
| Sales tax | 523,168 | 494,544 | 476,214 | 503,540 | 513,929 |
| Income tax | 965,677 | 916,927 | 846,522 | 877,204 | 972,024 |
| Personal Property Replacement tax | 146,063 | 129,312 | 138,102 | 123,713 | 152,627 |
| State Grants and Expenditure Reimbursement | 269,761 | 340,413 | 317,715 | 372,588 | 391,560 |
| Fees for Services and Materials | 721,414 | 695,625 | 650,959 | 579,872 | 570,577 |
| Investment Income | 1,357 | 1,223 | 1,511 | 2,345 | 2,361 |
| Other | 299,188 | 353,303 | 200,213 | 239,930 | 209,105 |
| Total Revenue | <u>4,821,396</u> | <u>4,808,542</u> | <u>4,255,218</u> | <u>4,329,495</u> | <u>4,317,807</u> |
| Disbursements/Expenditures | | | | | |
| General Government | \$ 2,317,325 | \$ 1,768,936 | \$ 1,711,096 | \$ 1,792,257 | \$ 1,689,563 |
| Public Safety | 1,707,157 | 1,801,762 | 1,268,855 | 1,208,251 | 1,203,189 |
| Corrections | - | 763,389 | - | - | - |
| Judiciary & Legal | 792,058 | - | 1,495,204 | 1,264,593 | 1,572,393 |
| Health & Welfare | - | - | 79,007 | 81,053 | 75,490 |
| Capital Outlay | - | - | - | - | - |
| Other Expenditures & Reimbursements | - | - | - | - | 166,961 |
| Total Disbursements and Expenditures | <u>\$ 4,816,540</u> | <u>\$ 4,334,087</u> | <u>\$ 4,554,162</u> | <u>\$ 4,346,154</u> | <u>\$ 4,707,596</u> |
| Excess/Deficiency of Revenues over Expenditures | <u>\$ 4,856</u> | <u>\$ 474,455</u> | <u>\$ (298,944)</u> | <u>\$ (16,659)</u> | <u>\$ (389,789)</u> |
| Other Financing Sources/Uses: | | | | | |
| Repayment of Debt | - | - | - | - | - |
| Transfers In | 144,738 | 64,816 | 367,439 | 280,087 | 363,846 |
| Transfers Out | (16,000) | (1,174,565) | (202,257) | (94,907) | (192,552) |
| Capital leases issued | - | - | 11,995 | - | 166,961 |
| Total Other Financing Sources/Uses | <u>128,738</u> | <u>(1,109,749)</u> | <u>177,177</u> | <u>185,180</u> | <u>338,255</u> |
| Net Change in Fund Balances | 133,594 | (635,294) | (121,767) | 168,521 | (51,534) |
| Fund Balances - Beginning of Year | 1,192,171 | 1,325,765 | 1,767,934 | 1,334,495 | 1,503,016 |
| Prior Period Adjustment | - | - | (311,672) | - | - |
| Fund Balances - End of Year | <u>\$ 1,325,765</u> | <u>\$ 690,471</u> | <u>\$ 1,334,495</u> | <u>\$ 1,503,016</u> | <u>\$ 1,451,482</u> |

Source: The County's Annual Financial Statements

EMPLOYEE PENSION AND OTHER BENEFIT PLANS

Note 7 of the County's November 30, 2019 Comprehensive Annual Financial Report summarizes the retirement commitments in full detail.

SIGNATURE OF ACCEPTANCE

The undersigned, as the Dissemination Agent, on behalf of the County of Union, Illinois has reviewed that the information enclosed constitutes the Annual Report which is required to be provided pursuant to the County's Continuing Disclosure Undertaking.

Dated: 6-23-2020

COUNTY OF UNION, ILLINOIS

By: Angie Johnson

Its: County Administrator